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**EUROPE'S BUSINESS NEWSPAPER** 

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### World news

### **Senior** diplomat defects chairman

Martin Winkler, East Germany's second-ranking diplomat in Argentian, defected to the West, amid press and diplomatic speculation that he feared being compromised after the defection to the East tast week of West German spy hunter Hans Joachim Tiedge.

Chancellor Helmut Kohl appoint ed Hans-Georg Wieck, the ambas-sador to Nato, as head of the federal intelligence service, while a senior colleague of Tiedge was released af-ter questioning about his relation-ship with the defector.

The opposition Social Democrats have secured an emergency Bun-destag debate next Wednesday at which they will demand the dismis-sal of Friedrich Zimmerman, the Minister responsible for counterintelligence. Page 2

#### Bhutto house arrest

General Zia ul-Haq's military regime put an end to Benazir Bhutto's nine days of freedom in Pakistan by placing the 32-year-old daughter of the country's late Prime Minister under house arrest. Page 12

#### Israel expels three

Israel expelled three suspected Palestinian guerrillas from the occup-ied West Bank and detained 15 others without trial.

#### Argentine strike

Argentina accused trade unions of trying to wreck a government aus-terity drive as the unions called their members out in the third general strike since the country returned to democracy 20 months ago.

#### Ulster train bomb Nine people, including five police, were hurt when a bomb rigged to a

bicycle exploded on a train from Dublin at Belfast station. Strict wine law A special session of the Austrian perliament was set to pass a tough law governing additives to wine in

the wake of the taining of so

### Austrian wine with ethylene glycol.

Greenpeace move Former White House lawyer Lloyd Cutler will lead Greenpeace's U.S. compensation suit against France over the Rainbow Warrior sinking. French official Bernard Tricot, whose report exonerated the French secret service, said he was puzzled by aspects of the affair and might have been mistaken. Page 2

#### Lambsdorff trial

The trial of former West German economic ministers Count Otto Lambsdorff and Hans Friederichs, and a top industrialist on corruption charges in Bonn was adjourned after five hours when the defence challenged the court's competence and accused it of being prejudiced.

### Sardinia crash

All four crew were killed when an Italian air force transport aircraft crashed into a mountainside during a firefighting operation in Sardinia.

#### Tamil can stay

A Sri Lankan Tamil leader who was deported from India five days ago has been allowed to stay in the

#### Chile talks spurned

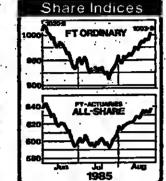
Two bombs rocked central Santiago, but President Augusto Pinochet spurned talks with his opponents and said Chile would not return to the type of democracy be ended with a coup 12 years ago.

#### Colombian rebel shot Colombian troops killed a leader of the left-wing M-19 guerrilla movement in a raid on an apartment in the city of Cali, south-east of

Bogota. Page 4

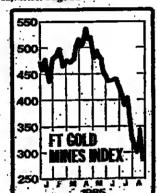
# and ousts

SALLY, loss-making Finnish ship-ping line, dismissed its chairman and sold the remaining three ves-sels of its tanker fleet. Page 13 WALL STREET: By 3pm the Dow Jones industrial average was 2.24 at 1.333.33. Page 34



LONDON was buoyed by strong corporate results and the FT Ordinary index rose 12.6 to 1,003.9.

TOKYO: Biotechnology and defence stocks featured. The Nikkei-Dow market average gained 43.30 to 12,728.80. Page 34



FT Gold Mines Index dropped by 10.3 to 280.1, extending the fall of used concern over unrest in South Africa to 26.7. Page 28

GOLD fell \$4.5 on the London bullion market to \$335.5. In Zurich, gold on market to \$335.5. In Zurich, gold are bidding to supply 25 divisions of the IUS. Army with a new mobile directly commarked to the Euro-

fell to \$336.65 from \$340.85. Page 26 the U.S. Army with a new mobile DOLLAR rose in London to close at DM 2.7795 (DM 2.7710); FFr 8.4850 (FFr. 8.4525); SwFr 2.2785 (SwFr 2.2670) and Y237.05 (Y236.90). On Bank of England figures the dollar's index rose to 136.7 from 136.4. Page 27

STERLING fell 20 points against the dollar in London to close at \$1.400. It rose to DM 3.89 (DM 3.8825); FFr 11.8850 (FFr 11.86) SwFr.3.1925 (SwFr 3.1750, but fell to Y332.25). The pound's exchange rate index fell to 82.4 from 82.5. Page 27 PERU rescinded contracts with two U.S. oil companies and a U.S.-Argentinian consortium responsible for producing two thirds of the country's crude oil. Page 4

HONG KONG will press China next week to give British airlines, including Cathay Pacific Airways, a greater share of flights between Hong Kong and Chinese cities. Page 3

TORONTO DOMINION Bank, Canada's fifth largest, lifted net income to CS97.1m (\$71.3m) during the three months to July 31 from C\$88.1m a year earlier.

G. J. COLES, Australia's largest re tailer, was propelled to a net profit of A\$122.4m (\$85.7m) by healthy growth in final quarter sales. The corresponding figure last year was

was encouraged by strong first-half AMKV, Dutch insurance com growth to launch a major capital-raising programme. Page 13 SONESSON, Swedish light engi-

neering and medical goods group, expected profits as high as SKr 520m (\$63m) compared with last year's result of SKr 373m. Page 13 ROTHMANS of Pall Mall Malaysia

reported another year of record earnings, with pre-tax profits for the year ended June 30 up 48 per-cent. Page 15

### Sally sells Business leaders E. German 3 tankers urge Pretoria to open political talks

BY MICHAEL HOLMAN IN JOHANNESBURG AND PETER MONTAGNON IN LONDON

rounded on the Pretoria Govern-ment yesterday with strong warn-ings that any new economic mea-sures will need to be accompanied the development of a unitary educaby political changes if they are to be

The country's four main business organisations urged the Government to open negotiations with black leaders, even those who were in detention.

governor, flew from London to Washington as talks intensified on a package of measures to shore up the country's \$12bn short-term Mr Barend du Plessis, the Fi-

Mr Barend dii Plesais, the Pranace Minister, is expected to announce a package of measures by Sunday at the latest, before South Africa's foreign exchange and stock exchange open on Monday.

The warnings from the South African business organisations were accompanied by a separate state.

accompanied by a separate state-ment by Mr Gavin Relly, chairman of Anglo-American, the country's ading mining house. In his statement Mr Relly said that the causes of the run on the

BY BRIDGET BLOOM IN LONDON

At the heart of the bids are the

British Ptarmigan system, which

has been in service with the 1st di-

vision of the British Army in West

Germany since the spring, and France's Rita (Reseau Integré

de Transmissions Automatique).

fielded by the French and Belgian

The Ptarmigan consortium is led

the Rita bid with Thompson CSF as

armies for about two years.

the main French contractor.

battlefield communications system. pean systems.

volves Plessey as prime UK con-ning of this week. tractor, STC, Marconi and others. It is understood

GTE is the U.S. company leading ton however, that the papers on the

tract against British competition.

We Caspar Weinberger, the U.S. ever opened to foreign competition, and while the two bids are believed

SOUTH AFRICAN businessmen the country is an acceleration of the five-day breathing space afforded by the market closure would be agonisingly difficult.

tion system," Mr Relly said. It was necessary for the Governnent to enter into genuine negotia-tions with representatives of all groups in South Africa for a new po-litical system of genuine power sharing, be said. If the Govern-Their statement came while Dr ment's present basis of support pre-Gerhard de Kock, the central bank cludes such action, it will have to secure a wider and different basis

of support." The business organisations had warned that an effective dialogue could take place only if the Botha Government accepted the principle of an open-ended agenda, and if the partial state of emergency were lift-ed and the security situation

The four organisations - the Association of Chambers of Com-merce, the South African Federated Chember of Industries, the National African Federated Chamber of Commerce and Industries and the Urban Foundation - expressed deep concern over the economy.

As Dr de Kock's whiriwind tour

gathered pace - he spent yesterday rand "were not economic but politicloseted with senior officials of the "What is needed for the short, Bank of England - it became clear medium and long-term health of that assembling a package in the

French set to win battle

for U.S. army contract

In Washington Mr de Kock was expected to ask the Federal Re-serve Board for help in shoring up South Africa's short-term debt. Such assistance might include the provision of gold-backed credit by central banks including the Federal Reserve, as well as pressure by the Fed on U.S. banks not to withdraw their deposits from South African

Senior bankers are now convinced that demand for repayment of these deposits by commercial banks worklwide is the main factor behind this week's steep fall of the rand and the apparent near exhaus-tion of South Africa's foreign exchange reserves

But they say that the political background to South Africa's crisis makes it one of the hardest ever sovereign debt problems to deal with. Worries about hostile public opinion are likely to weigh heavily with both the Bank of England and the Federal Reserve when they ponder South Africa's request for

There is also no sign that South Continued on Page 12 16 die in day of violence, Page 4; conomic strength may not be enough, Page 10

in London that the reason for this is

be adjusted to the lower specifica-

Lex, Page 12; Results, Page 18;

Stock market reaction, Page 30

be adjusted upwards.

week

directly comparable to the Euro- well/Plessey. It is being suggested

and resistant to damage than those included to the GTE bid.

The rival consortia submitted British officials have always ar-

### Nigeria's leaders appoint ruling council

By Our Foreign Staff NIGERIA'S new leaders have appointed a 28-member military council to rule the country under Major-General Ibrahim Babangida as

Almost half of the members of the new Armed Forces Raling Council (AFRC), the highest policy-making body, comes from the now defunct Supreme Military Council (SMC) which ruled Nigeria under Major-General Muhammadu Buhaoverthrown in a coup on

The AFRC, to be sworn in today. is almost equally divided between northern and southern officers. Nigerians from the south of the country had often expressed resentment before the coup at their lack of influence over a government domi-nated by northerners. They will be anxiously looking for a more active role in the new Government.

Life in Nigeria appeared to be re-turning to normal yesterday as La-gos airport was reopened, telex and telephone links with the outside world restored, and Lagos radio re-ported the dusk-to-dawn curfew, in force since the coup, had been lift-ed. Residents contacted by telephone from London said the city was quiet.

Observers said the position of the heads of the military council ap-peared stronger than under the Bupeared stronger than under the bir-hari regime, as restrictions had been imposed on the post of chair-man of Joint Chiefs of Staff now held by Major General Domkat Ba-li, the Defence Minister and former SMC member. His duties will be limited to the "political administration" of the country, Lagos radio

said. The radio said President Babangida is to be assisted by a Chief of General Staff, Commodore Ebito Ukiwe, who will be responsible for "political affairs,"

A newly constituted National

Council of State to group state mili-tary governors will assist the AFRC FRENCH COMPANIES appear to The contract is believed to be the Secretary of Defence, Mr William be set to win a \$45m U.S. army conlargest single U.S. military deal Taft, and will probably go from in policy-making, the radio said, noting that these two bodies as forthere to Mr Weinberger early next merly composed have been

nomic thinking of the new Government, Lagos radio quoted the new rumours as saying that the crux of the country's problems was its ex-Both systems claim to offer enorthat the specifications to which mous improvements on current tac-Rockwell/Plessey have quoted are cessive dependence on imports of both consumer goods and raw matical communications; both are fully higher in certain key respects not-mobile and more secure, capable and resistant to damage than those included to the GTE bid. terials for industry; a fall in domes-tic production amid rising population growth; the "growth in equality their opening bids last autumn and gued that the Ptarmigan system, best and final offers in April. A de-being newer, is both more flexible cision from the U.S. Army Under and more secure than Rita. It is bewithout any concrete results to jus-Secretary, Mr Jim Ambrose, was ing argued now that either the tify such a role." by Rockwell of the U.S. and in-confidently expected at the begin- Rockwell bid should be allowed to tion of Rita, or the Rita bid should

### Mexico warns on danger of no fresh loans

BY WILLIAM HALL IN NEW YORK

MEXICO, whose financial problems signalled the start of the interna- 'furthermore' are not sufficient signated the state of the state of the tribular tional debt crisis three years ago, yesterday gave a warning that unless bank lending to the heavily indebted Third World resumed, be expected to pay their full interest hill and grow at necessary lev-

opinion that now exist between trialised countries on the solution to the three-year-old debt crisis, which be described as "the potentially most explosive development issue of our times."

While welcoming the signing of the largest commercial bank debt restructuring ever undertaken, Sr Silva-Herzog said that there had to be a narrowing of the gap that exists between the developing and developed countries with respect to the diagnosis of the international debt crisis.

"Most OECD countries are telling us that the debt problem can be solved by their growth, our adjustments and open borders," said Sr Silva-Herzog. "We believe these

conditions are not occurring and The minister said that not only were international banks not pro-viding new money on a voluntary basis, "but some of them seem to be countries such as Mexico cannot trying to reduce their present expo-be expected to pay their full inter-sure to Latin America by the most

imaginative means. With bank credit flows moving Sr Jesus Silva-Herzog, Mexico's away rather than returning, coun-Finance Minister who was in New tries cannot be expected to pay York yesterday for the signing of their full interest bill and grow at the second and final part of Mexi-co's S48.7bn debt rescheduling, un-derlined the serious differences of the brunt of the burden," said Sr Silva-Herzog. He noted that incon-Third World debtors and the indus-trialised countries on the solution to impeding "the reactivation of muchneeded new credit flows.

He criticised countries whose bank regulations "penalised" new bank lending to countries such as Mexico by imposing stiff after-tax reserve requirements and catego-rising new loans in ways that suggest that they cannot be carried at face value. This is inconsistent with our earlier assumption of how the world would be," said the mini-

Sr Silva-Herzog confirmed yes-terday that Pemex, Mexico's stateowned oil company, was exploring the possibility of making a Y10bn bond issue in Japan, but also em-Continued on Page 12 Bolivia closes banks, Page 4

### Volvo profits fall by 7.8% in first half

BY KEVIN DONE IN STOCKHOLM

VOLVO, the Swedish automobile, energy and food group, suffered a drop of 7.8 per cent in profits in the Council of Ministers and a National first six months of the year, while group turnover fell by 3 per cent to SKr 42.27bn (\$5.17bn).

Profits after financial items totalled SKr 4.25bn against SKr 4.62bn a year earlier, and the fall would have been steeper without a In a further indication of the eco- jump in the group's interest earn-

> against SKr 56m in the first half of same period last year.

sales stagnated in the first half of weak. Deliveries were virtually un-

marked shift towards more expensive models. The value of car sales increased by 21 per cent in the second quarter

and by 15 per cent in the first six months to SKr 18.47bn, while deliveries were unchanged 203,000. Volvo sold 70,000 of its top-of-the-range 700 series, against 28,800 in the first half of 1984. The small 3 per cent fall in group turnover reflected chiefly the 30 per

cent reduction in the sales of Vol-With Volvo's strong liquidity, net vo's oil trading division. Otherwise interest earnings totalled SKr 208m sales of its industrial products role by 8 per cent. Excluding oil and Vollast year. The group also reported vo BM construction equipment foreign-exchange gains of SKr 63m against a loss of SKr 101m in the turnover increased by 12 per cent. which is no longer consolidated. Volvo truck sales increased by

of the gap between the rich and the poor; and the large role played by Volvo's performance appears to 7.98bn, and the group said that dethe public sector in the economy have peaked. The volume of its car mand in West Europe was still the year, although there was a changed from last year.

### BP profit rises 5% to £344m

BY RICHARD JOHNS IN LONDON

al rail strike in the UK and renewed last year. optimism about lower interest rates BPs performance was more im-It gamed 12.6 to close at 1003.9, £306m to £457m.

Actuaries index was up 22.69 points in the value of the dollar resulted in

BP announced a 12 per cent inter-im dividend on each 25p share, a 20 which, BP announced yesterday, per cent increase on the 1984 level. cannot at present be developed

For the first half of 1985 BPs at-middle of the range anticipated by ter tax profit was Elistin compared analysts, the City of London was

THE RECEDING threat of a nation- with £655m in the same period of impressed by the underlying profits

It is understood from Washing-

concract have gone from Mr Am-

brose's office to that of the Deputy

change and push the FT ordinary stock gains and losses. On this ba-share index above the 1,000 mark sis earnings rose by nearly 50 per for the first time since early June. cent to the second quarter, from BP calculates that a combination while the FT Actuaries All-share in-dex rose 631 to 639.95. The FT Oil of weaker oil prices and the decline

realised stock losses of £113m in the April-June period.

come, up 5 per cent on the same period of 1984 at £344m (\$481.8m), despite sagging oil prices and the impact of a weaker dollar. unsuccessful drilling in China's off-shore waters and £27m for work on

stream" oil business offset the adverse impact from declining crude oil prices on production and

Also benefiting from the rational-isation policy of the last few years the chemical sector recorded an operating profit of £13m. This was higher than in the first quarter largely because of firmer prices for ethylene and its derivatives, as well as lower feedstock costs.

The improvement was also helped by British Petroleum's better-than-expected second-quarter in-

On the stock exchange its shares commercially.

While actual profits were in the

because of sterling's continued pressive on the replacement cost strength helped to boost share system of accounting, which calcu-prices on the London Stock Ex- lates a net profit after excluding

In addition, the result was achieved after an allowance of £129m for exploration write-offs in

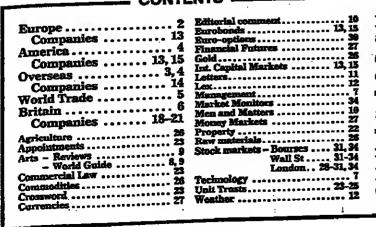
achieved after taking into account the change in value of stocks and also the improved dividend. The most encouraging aspect of BP's results, not the least compared with those of the Royal Dutch/Shell

group, is considered to have been the improved performance in its European refining and marketing Lower supply costs in the "down-

Nearly all of the overall improve

ment was accounted for by the BP group, apart from its 55 per cent majority-owned U.S. affiliate, So-

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# Who's just put 264 companies into new offices?

Jones Lang Wootton has

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### Elysee link to surveillance of Greenpeace

THE MILITARY adviser to President Francois Mitterrand at the Elysee Palace gave personal approval to the additional funds sought by the French foreign intelligence service (DGSE) to monitor the activi-ties of Greenpeace, according to M Bernard Tricot, author of the official inquiry into the sinking

of the Rainbow Warrior.

He said that General Jean Michel Saulnier who is now armed forces Chief of Staff, had approved the additional funds which were needed to cover further intelligence gathering on Greenpeace.

In fresh disclosures in a newspaper interview M Tricot continued to insist on his belief in the innocence of the DGSE, but left the door open to the possibility that be might heve been misled.

been misled.

But he made clear, in statements that could prove embarrassing to the Government, that in his view all operations by French agents in New Zealand would have required high level political

were not responsible for the sinking of the Greenpeace boet. But be added: "If they did carry ont the attack, it is have done it on orders. I do not see them taking such an initiative."

Mr David McTaggart, international president of Greenpeace, said here yesterday that the organisation would be suing France hefore the European Court of Justice. Green-peace is to be represented by the U.S. legal firm Cutler-Pickering in which Mr Lloyd Cutlar. a former special counsellor to President Jimmy Carter is a partner.

Mr McTaggart said that somebody had to bear the costs of the boat and of supporting the femily of the Portuguese photographer who died. He said be did not agree with the way Mr David Lange, the New Zealand Prime Minister, had backed

New Zealand would have required high level political clearance.

Recounting his elandestina interview with the three French agnets aboard the yacht Ouvea, be repeated his belief that they

### Signs of explosives 'found on secret service yacht'

A FORENSIC scientist found between New Zealand and the traces of explosives in a yacht carrying three French secret agents five days after the protest ship Rainbow Warrior was mined in New Zealand, Reuter reports from Wellington

It quotes an Auckland newspaper, the New Zealand by New Zealand detectives at Norfolk Island on July 15, They were taken from the yacht Ouvea when it was searched by New Zealand detectives at Norfolk Island on July 15, they were taken from the yacht Ouvea when it was searched by New Zealand detectives at Norfolk Island on July 15, They were ister found to contain traces. traces of explosive when analysed in Wellington.

The vacht left the Australian island the following day and has not been seen since. The three men are now wanted by police on charges of murder and sabotage in connection with the sinking of the flagship of the international environmental international environmental organisation Greenpeace.

All three were identified as combat frogmen with the French secret service DGSE by an official report on alleged French links with the attack released in Paris on Tuesday.

it involved trial evidence. They said they could not strest the trio on Norfolk Island because the was Australian territory and because they did not have the Two explosions shortly before Union and Britain broke down evidence et the time.

The Herald said police took extensive samples from the yacht's bilges before it left tha following day.

It was then, according to the official Warner generators.

official French government report this week, that arrange-ments were made between the three men and the DGSE for them to be whisked home to

The report, prepared by M a Bernard Tricot, did not say how this was done but said it did not involve the French navy.

A search involving the New
Zealand air force and the
French Navy has revealed no

trace of the Ouvea. The Herald said documents Police said they would not sent to the Tricot inquiry condeny the Heraid report, but tained an eyewitoes, statement could not comment on it because that a man closely resembling

midnight sank the Rainbow Warrior, a converted trawier, They confirmed that a Warrior, a converted trawier, forensie scientist had searched at its moorings and killed one

### Oil major denies turning its back on Norway

to achieve a "lasting relation—34/8, ship" bere. At the sama time be made a cautious, tactful plea drama of the decision. He said for easing of the tough petro-leum tax rules, pointing out that these two blocks as being "high

Mr Alex Massad, president of Mobil's exploration and producing division, was talking after a meeting with Mr Kare "the Norwegian oater continentaristiansen, the Oil Minister. His visit to Norway comes only a week efter the company turned down an Oil Ministry invitation to act as operator, and co-licensee, on two North Statell's Page 13

"a mutually heneficial tax risk marginal." On their own, regime is the only way to keep exploration going."

Mr Alex Massad, president of of these blocks did not stand

### **British** and U.S. stand on test ban 'dishonest'

BRITAIN AND the U.S. both of whom have given a low priority to the negotiation of a complete nuclear test ban treaty (CTB), were accused yesterday of adopting a "dis-honest" stance et the nuclear non-proliferation treaty (NPT) review conference here.

The charge was made by Dr David Owen, leader of the British Social Democratic Party (SDP), at e particularly out-spoken news conference in the spoken news conference in the margin of the conference, following the British Government's opening statement to the delegates by Mr Richard Luce, Ministor of State at the Foreign Office.

Mr Luce, like the U.S. delegate, Mr Kenneth Adelman, before him, claimed that verification problems continued to be a serious obstacla to the nesoti-

a serious obstacls to the negoti-ation of a comprehensive nuclear test ban. Until solutions to these problems were found, Britain considered that any resumption of formal negotia-

resumption of formal negota-tions would be premature.

"We believe that a CTB
which allowed any militarily
significant cheating by its signa-tories would not be in the
interests of international
stability or security," Mr Laice Dr Owen, however, said it was clear that neither the U.S. nor Britain really wanted a comprehensive test ban, as advo-

cated by the Soviet Union and a large number of neutral and non-aligned nations, and were hiding behind a combination of misinformation and obfusca-

"It is a harsh judgment to make of ono's own Government that they are not negotiating honestly," he said. "I say it only after careful thought and after consulting a hroad range of scientific opinion."

of scientific opinion."
Seismological edvances and
satellite technology had transformed the possibilities for
verification, Dr Owen said.
When the U.S. had rejected
Moscow's offer of e moratorium on nuclear testing, it had had no difficulty in claiming, on the basis of its existing monitoring capacity, that the Soviet Union had just completed a series of three underground tests and could afford a pause.

The real reasons why the U.S. and Britain did not want a CTB at this time was that they wanted to continue to test new nuclear weapons, such as the MX, Midgetman and Trident missiles.

It has also been claimed here by many delegates that one of the new weapons which the U.S. wants to test as part of President Ronald Reagan's Strategie tained an eyewitoese statement Defence Initiative, is a laser that a man closely resembling device powered by a nuclear

> in 1980, has already become one of the biggest hones of contention at the conference.
>
> Apart from the Soviet Union,

several countries, including not-ably Australia and Sweden, have expressed their conviction that the necessary verification techniques already existed to make such a creaty effective.

It was mainly the lack of political will which was preventing a CTB treaty from being negotiated, they claimed.

In reply to criticisms by non-

A SENIOR Mobil official yester-day quashed reports that the U.S. oil concern had lost interest in Norway, and said it hoped in Norway, and said it hoped a third, more promising block, their NPT treaty obligations to dismantle their nuclear dismantle their nuclear arsenals, Mr Luce said that Britain shares their dis-appointment at the slow pro-

gress.

But it should be noted that
the Nato allies had taken important and concrete unilateral steps to reduce their nuclear weapons stockpile in the past

### East German defects in Bonn spy affair

A SENIOR East German diplomat has defected to West Germany, the Boun Government announced yesterday, adding a further twist to the widening spy scandal here. It also fuelled speculation that West German agents in the East may be beginning to fice for fear of being .compromised by the defection to East Berlin more than a week ago of Bonn's top counter-intelligence officer, Herr Hansjoachim Tiedge.

The announcement came soon after the Government's formally announced the sacking of Herr Heribert Hellenbroich, Herr Tiedgo's former boss, as head

firmed yesterday that another high-ranking West German intelligence officer had been arrested on suspicion of spying for East Germany. The officer, Herr Reinhard Liebetanz, chief of the department responsible for monitoring right-wing extremists in the Office for the Protection of the Constitution— Herr Tiedge's former employers was later released.

It is not clear whether Herr Liebetanz will be questioned further over a relationship with a man who fied to East Germany

#### FLICK BRIBES CASE OPENS

TWO FORMER West German economies ministers and a top industrialist went on trial on industrialist went on trial ou corruption charges in Bonn yesterday anid a storm of publicity and legal confusion over whether the case could go ahead, Reuter reports.

The two ex-ministers, Count Otto Lambsdorff (pfetured right) and Hans Friderichs, are charged with accepting bribes for their Free Democratic Party from the Flick industrial empire in return for tax favours.

for tax favours.

of the federal intelligence service and his replacement by one of Boun's most senior diplomats. Here Haus-Georg Wieck.

The Government also confirmed yesterday that another high-ranking West Carman in-The lawyers argued that the judges had se experience in dealing with economic crimes

and that the two lay magistrates had been improperly selected. All three defendants deny the charges.

deny the charges.

Peter Bruce edda from
Bonn: Speaking after the
day's proceedings. Count
Lambsdorff said be expected
the court to reject the challenge made by the defence
team: "But it is something
yon have to do," he said, as
the point might prove useful, should the defendants
ever need to avueal

ful, should the defendants ever need to appeal
Count Lambsdorff has consistently denied receiving any money from Flick and, though he said yesterday he was confident the trial would last "for more than a year." he confirmed that he had be confirmed that he had be confirmed that he had be too to a number of senior posts he holds in the Free Democrat Party.

recently, apparently after trying to recruit him. Herr Liebetann's arrest and embassy in Buenos Aires, on deak in the release is at least a sign of the tension that has been generated aiming the intelligence community here since the defection winkler was a long-term Margarete Hoel of Herr Tiedge and the disappearance earlier of three other suspected spies.

The defection to Bonn of the Martin Winkler, Charge Havana, Cuba, as chief of the deak in the Foreign Ministry whether Herr ever, also estably appearance earlier of three other suspected spies.

The defection to Bonn of years, and once held a post in agent since 196



as chief of the Central America

desk in the East German
Foreign Ministry.

The Government has, bowever, also established that Fran
Margarete Hoeke, a secretary
in the Federal President's office
arrested on spy charges on Sunday, has been an East German
agent since 1968. Officials are

taking her case very seriously, as she had easy access to re-ports from West German diploports from West German diplo-mats abroad, reports from the top secret minieterial Federal Security Conneil, and worked during a recent Nato exercise in the Government's top secret atomic bunker just south west

Frau Hoeke is also known to heve had contact with a German couple arrested this week in Switzerland on charges of spying for East Germany.

Chancellor Helmut Kohl is still expected in the next few days to announce sweeping, changes to the security services. Whether these would mean further sackings is still unclear. It is clear, however, that his actions so far have failed to still opposition demands that his actions so int have knies to still opposition demands that Herr Friedrich Zimmermens, as the minister responsible for the counter intelligence service where Herr Tiedge worked should also resign.

Few people here expect that to happen, especially as Herr Zimmermann is protected by Herr Franz Josef Strauss, the

W. German

car output

### COLLAPSE FEARED OVER CONSTITUTIONAL DISPUTE Martens tries to hold coalition together

day was trying to paper over widening cracks in his four-party centre-right ecalition government to keep it in power until the dissolution of Parlia-ment for the October general

The coalition is in danger of collapsing over sharp differ-ences on constitutional revision that again throw into relief ten-sions between the Flemish north and the French-speaking

The key issue is whether education should become the responsibility of the linguistic regions. This involves revision of Article 59 bis of the constitu-Such revision can take place

only after the presentation to

MR WILFRIED MARTENS, the Parliament of a list of articles sion when the Government dismantling the Belgian state.

Belgian Prime Minister, yesterday was trying to paper over of both houses. This agreement widening cracks in his fourwidening cracks in his fourparty centre-right coalition so that the newly elected vision of the key article on the been pushing for revision over government to keep it in power iegislature can become a consti
powers of the regions (59 bis) the opposition of the Social totional assembly. Mr Martens has been seaking

to persuade the French-speak-ing Social Christians to accept a proposal to revise Article 59 bis. But the Social Christians have

MPs for unity yesterday after winning a vote of confidence as

vote in which 82 beliets were cast for Mr Mitsotakis against

37 blanks and one invalid. There were no other candidates

The missing MP was Mr Costis

Stephanopoules, the parliamen-

for the party leadership.

head of the party.

BY ANDRIANA IERODIACONOU IN ATHENS

might fall. The Flemish parties in the Mr Martens has been pushing coalition—the Christian Demopowers of the regions (59 bis) to revision of other articles dealing with free education and the resolution of conflicts tween the different powers in

the Belgian state.

But the Social Christians have been adamant in their opposition.

Yesterday, coalition leaders would be damaging on three asked the parliamentary commission on revision of the constitution to accept a delay in pulling forward proposals to give the parties more time to give the parties more time to give the parties more time to more out a common position.

But the Social Christians have been arguing that to make education a communal first in southern Belgium, it would hand education over to the Socialists, in opposition at central government level but in power at the communal level. Second. the munal level. Second, the French speaking community would receive less funds. Third,

Mitsotakis wins confidence vote

Mitsotakis said in an anxious

to be directed at the wisent Mr Stephanopoulos and possible sympathisers among the parliamentary group.

Mr Stephanopoulos is under-ship.

Christians and the issue has de-prived the coalition of what little momentum it had left. Today's cabinet meeting, the first after the summer holidays will be devoted to routine matters. The constitutional issue has

overshadowed the aftermath of the Heysel football disaster, the handling of which by Mr Charles-Ferdinand Nothomb, the Social Christian Interior Minister, prompted a French-speaking Liberal move to leave Party leaders will meet again French speaking community speaking Liberal move to leave on Monday, considered by would receive less funds. Third, the Government and advance political insiders as the occa- it would be a move towards the election date by two months. the Government and advance

sympathising MPs with him to form a new party; or staying and waiting for opposition to Mr Misotakis to grow.

didates in elections for the

leadership last September. How-

### accelerates By John Davies in Frankful THE WEST GERMAN car in

dustry is hoping to furth out a record 4m cars this year as it makes a powerful rebound after its troubles of the past 18 inonities. With the domestic maintenance of the past 18 strong, the cer industry is confidently continuing to take on the post of the past 18 inonities. fidently continuing to take on more workers. Car production fell 3.2 net

cent to 3.7m last year as a result of the seven week labout conflict over shorter working hours. Nearly all car-makers were also hit by a slump in orders late last year and early this, as West German motorists delayed buying because of un-certainty about tighter emission controls

But after the recent European Community compromise on this question, new car registrations have been surging. Domestic sales last month were a record

for July.

The industry expects sales to be given further impetus from the International Automobile Exhibition in Frankfurt from September 12-22, an event held every two years emid e flurry of new model launchings.

THE LEADER of Greece's conservative New Democracy oppoMr Mitsotakis to resign at the ing three options: leaving the end of last week by challenging party to become an independant, appealed to his party's his decision to hold a party conMrs for unity yesterday after ference in November.

Mrs for unity yesterday after ference in November. Herr Hans-Erdmann School beck, president of the Auto-mobile Industry Association (VDA), said yesterday that output this year could weil exceed the record 3.93m in 1979 Achim Diekmann, the VDA's managing director, said car exports might reach a record 2.5ml last year.

Exports so far this year have taken an unusually high 62.5, per cent of output (compared with 58.9 per cent last year) but the proportion is expected to fail next year as domestic

to fail next year as domestic sales rise.

Some 30,000 extra workers were hired in the 12 months to June to huild the industry's labour force to 638,000 and another 10,000 are expected to be taken on in the second haif of this year. Only about an oighth of the increase was to offset the cut in working hours from an everage of 40 to 38.5 a week from April, VDA executives said.

tives said.

Herr Schoenbeck predicted that West Germany would make rapid strides towards meeting the EEC's emission requirements, due in stages from 1988. Including diesel-engine models, about 25 per cent of cars sold in West Germany this year would already meet the EEC's standards—and as many as 50 per cent next year and 75 per cent in 1987.

### Shorter working hours bring big benefits

winning a vote of confidence as head of the party.

All but one of 121 New Demorates to Us without reservation. I ask everybody to forget the past, as I will forget it." Mr

COMPANIES THROUGHOUT time arrangements revealed by length of the day remains patterns that allow Friday after

Mr Mitsotakis: plea for unity

to party's MPs

few years.

In 1980, Nato had withdrawn
1.000 nuclear warbeads from
Europe. In 1983, it had decided ssue of Personnel Management.

COMPANIES THROUGHOUT
Europe are using demands by
their workers for shorter working hours to restructure their
working time arrangements. In
the process, they are often winning substantial improvements
in productivity, while also
oftesting more employment.

These are the key findings of
a survey of European countries
by Mr Eugene Costin, personnel
manager for Philips in the
Netherlands, conducted for the
European Association for Personnel Management. The survey
is reported in the forthcoming
issue of Personnel Management.

turer, a cut from 40 to 87 hours Examples of new working workers for every 12 jobs. The

Strict wine law for Austria

eight hours but workers get three days off for every 36 working days.

· At ETAP NV in Belgium, reductions in working time were agreed in return for the workers' moving from five-day to six-day working, thereby extending operating time. The survey shows that the

pressure to cut working time is taking somewhat different forms throughout Europe. In Austria, for example, there is a preference for longer holidays; in Belgium, for safiler retirement; and in West Germany, for shift

noons to be taken off. Generally, however, com-

panies throughout Europe are looking for ways of linking the reduction of working time to demands made on them by the market," the survey concludes. In doing so, both companies and unions are achieving their sime. The survey also shows that

British workers in industry have one of the shortest standard working years in Europe. Once overtime is added, however, Britons work some of the iongest hours in Europe.

### FINANCIAL TIMES

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While in Hamburg enjoy your complimentary cory of the Financial Times as a guest of the REVAISSANCE

### Polish repression rising say trade union groups

union groups pledged yesterday to rights.

continue blacking the outlawed Pol
Mr Enzo Friso, ICFTU deputy ish union Solidarity and said re-pression was increasing in Poland, Reuter reports from Brussels. general secretary, said at a news conference that all democratic countries should adopt an equally

(WCL) and the European Trade their peoples.
Union Confederation (ETUC) issued The statement said the reasons e joint statement to mark this Sat- for jailing Polish activists included urday's fifth anniversary of the trade union activities, strike action. signing of the Gdansk agreements.

ity, which had just been formed, ing against alcoholism. and the Polish Government. Solid- It said that nearly all arity was banned after martial law people freed in the 1984 amnesty was declared in 1981. The Brussels statement said Po-

land had jailed more than 500 trade union and political activists for at least several months since a partial amnesty in July 1984 when only 40 remained in detention and that 300 now remained in prison.

THREE INTERNATIONAL trade defence of human and trade union

countries should adopt an equally The International Confederation of Free Trade Unions (ICFTU), the World Confederation of Labour which he said were all oppressing Membrile police approach which he said were all oppressing

signing petitions, taking part in de-The agreements involved Solidar monstrations and even campaign-It said that nearly all of the 600

> with most companies refusing to take back Solidarity activists for fear of trouble from the police. Failure to find a job could mean e of sugar or other additives allowed the first revelations in April, it trade unionist's name being added

accept any kind of work, it said.

Meanwhile, police announced four more arrests in a crackdown on farmers, traders and chemists who laced wine with diethylene glycol, which can cause brain and kidney damage.

Herr Ganter Haiden, Agriculture Minister, told parliament the mea-sure was intended to restore the high-quality reputation of Austrian goods. The Socialists say the law will be Europe's strictest. It reduced the maximum amount

to a list of 26,000 so-called social prevent doctoring.

parasites who could be forced to Labels will have to indicate the

The governing Socialist-led coali- are increased to a maximum six ton presented the legislation at a months in full and a fine of special session of parliament yes- AS 80,000 (\$1,000).

Herr Haiden said 227,500 beetolitres of wine had been seized. He conceded the law would mean extra work for farmers,

other countries Austria's determithe reputation of quality wines, in-deed the reputation of Austria's the producer, Manns Wine Compaquality produce in general." The scandal caused outrage

among importers of Austrian wine across the world, especially in its main market, West Germany. After and sets out complicated checks to emerged that some West Germany wines also contained glycol.

The three groups said they would Any protest action could lead to continue supporting Solidarity by instant dismissal, transfer to unall means at their disposal, acting pleasant or low-paid tasks or loss of sticker issued by local authorities the mining of red the first tainted italian wine found. will be stuck over the cork identify- and white wines to be sold as red. in the colony

AUSTRIA'S parliament was set to pass e strict new wine law last aight aimed at averting a repeat of a scandal over producers sweetening it with a toxic chemical, Reuter reports from Vienna.

In Mainz, West Germany, Herr Bernard Vogel, premier of West Germany's main wine producing state, accused Austria of playing down the secondary of the wine reports from Vienna. West German wine industry. Herr Vegel told the Rhineland

Palatimate parliament that Vietma's warning that Austrian wine exported to West Germany contained an anti-freeze chemical was "absolute-ly insufficient and ambiguous." He said the law would signal to other countries Austria's determination to heat this unprecedented wine-doctoring scandal and restore that diethylene gives had been discovered in two brands of Japanesemade wime. The ministry ordered

> ny, to recall the brands from store A ministry spokesman said the Tokyo metropolitan and Yamanashi prefectural (state) governments were to investigate whether the two brands were blended with wine im-

ported in bulk from Austria. Labels will have to indicate the . The chemical was also found in A Hong Kong Government wine's exact origin, quality, and Austrian grape juice and investigas spokesman said an Italian wine

### Palestine refugee agency faces financial crisis

BY PATRICK BLUM IN VIENNA

tions Relief and Works Agency for Palestinian Refugees (UNRWA) is facing the most serious financial crisis in its 35 years' history, according to a report discussed by agency of about \$40m in expenditure and additional emergency donations from a handful of countries, the agency is still short of about \$8m to

tal services and relief for some 2m Palestinian refugees scattered in the Middle East will be seriously the Middle East will be seriously jeopardised next year unless more funds are inrihcoming, Mr Robert Dillon, deputy commissioner general, said yesterdsy. Programmes for this year have already been seriously cut back. een seriously cut back.

Drastic cuts will have to be made
if governments do not provide additions. The U.S. is by far the biggest if governments do not provide additions. The U.S. is by far the biggest tional support for the agency, the contributor donating \$67m animalout. Major programme cuts will den and Norway with about \$7.8m each and Britain and Norther life.

missioner general in October sug-gests that the agency's existence is threatened by the current crisis. Sim to \$2.2m.

THE VIENNA based United Na My final words must be to express

agency is still short of about 58m to meet this year's expenditure.

He says that when the agency's

The bulk of the agency's finances to be reduced accordingly," the report says.

In his foreword to the report Mr

less contributes \$50,000 Con-Olof Rydbeck who retires as com- tributions from Arab states have

London NW11.

The Baron. 6.30 News. 6.40 Appeal. 1.30 Ferming Outlook. 2.30 Film: Scotsport. 5.00 Wild Heritage. 5.30 Hert. 11.45 Ther's Hollywood. 12.15 am Challe (5). 3.00-4.00 Gloris Huminitoring Charles (5). Shipping Forecast. Shipping Forecast. Shipping Forecast.

### Britain seeks better deal for Cathay in Peking air talks

BY DAVID DODWELL IN HONG KONG

vices between Britain and China.

Mr Piers Jacobs, Hong Kong's Secretary for Economic Affairs, noted yesterday that CAAC, China's national airline and at the same time its civil aviation anthority, operates an everage of 59 scheduled and chartered flights into Hong Kong from Chinese cities every week. This compares with an average of seven by the two British car-

seven by the two British carriers entitled to fly, into China

British Airways and Cathay.

"One looks for a degree of
balance," Mr Jacobs said,

"There is certainly a large
imbalance of opportunity et the
moment, and it will be an
objective of the talks to correct
it."

In official terms the talks are between Britain and China, and cover all air service issues concerning the two countries. Hong-Kong officials attend the talks as part of the British team and in practice play a leading role in negotiating air services be-tween-Hong Kong and the main-land. The current agreement came into effect in November

The Hong Kong Government disclosures came just a day after it was discovered that China

THE Hong Kong Government will be pressing China to provide British airlines—including Cathay Pacific Airways—with a greater share of the scheduled flights between the British tarritory and cities in China whan long-awaited talks begin in Peking on Monday on air services between British and China whan long-awaited talks begin in fact, the first of the process of the long of th running three charter flights a week to Peking—instead of the one flight currently allowed—by the time the Peking talks began. In fact, the first of the new flights went ahead on Sunday. Cathay learned of the reversal only a day before its second new charter was intended to fly.

If the extra charters had been approved, Cathay had hoped that the charter rights would have been converted into a scheduled service. At present, British Airways has the right to operate just one scheduled flight a week between Hong Kong and Peking.

An additional complication has been the recent emergence in Hong Kong of a number of new airlines, all intent on winning licences to fly in compe-tition with Cathay on routes into China and elsewhere in

so far is Dragonair, a fledgling so far is Dragonair, a fledgling airline with just one aircraft, but with substantial financial and political backing from mainland China. An application hy Dragonair to fig 21 "charter" flights a week to Peking and Shanghai was recently approved in principle by the Chinese anthorities—a puziling decision in the light of this week's withdrawni of of this week's withdrawal of charter rights from Cathay. has without warning or explan-ation withdrawn permission for Hong Kong's Cathay Pacific Air-air traffic authorities.

### China to probe fraud

CHINA's State Council has Audit Administration, ordered a nationwide probe into business frand and tax the Government of \$1.6bn evasion, the People's Daily said yesterday, Reuter writes from and tax evasion over the last

eking. two years.
Its overseas edition said the Liang Lingguang, governor Ministry of Finance would look for "extremely serious" hribery, profiteering and speculation in vital raw materials, popular consumer items and foreign exchange,

Reports of people using public funds to give gifts and extravagant banquets will also be investigated, the paper said, replacing ageing leaders with Lu Peijian, head of China's younger officials.

of the southern Chinese province of Guangdong and three deputy governors have tendered their resignations, a Hong Kong communist newspaper reported yesterday, AP reports from Hong Kong.

The resignations are in line with China's new policy of

#### **OVERSEAS NEWS**

John Elliott, recently in Karachi, analyses the delicate state of politics in Pakistan

### Why President Zia moved against Benazir

THE PLACING of Miss Benazir Bhutto, daughter of Pakistan's late Prime Minister Zulfikar Ali Bhutto, under house arrest in Karachi vesterday, just over a week after sha returned to the country to bury her dead hrother, underlines the current delicate state of politics in Pakistan

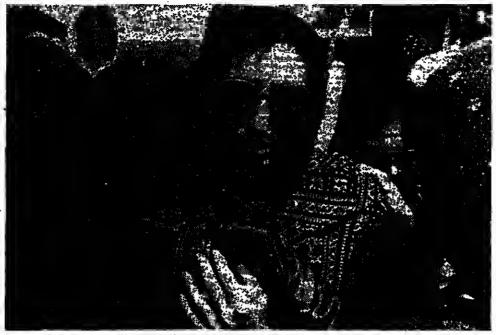
military ruler who overthrew and then executed Miss Bhutto's father, is facing the most testing time of his eight-year rule as he manocuvres towards an ending of martial law and a gradual introduction of e form of parliamentary democracy. He must balance internal and

international pressure for an end to military rule against e wish to retain his own personal presidential powers and aleo, it is believed, against the wishes of some top army officers to the presidential powers and aleo, it is believed, against the wishes of some top army officers to stay in power. Senior generals are believed to have expressed this view firmly at a secret meeting in Nethia Gali, north of the capital of Islamabad, two months ago.
Until Miss Bhutto returned

was no significant opposition activity for Gen Zia to worry about. Since then, her activities have aggravated the government and yesterday, it seems.

ment and yesterday, it seems. she went too far.

Miss Bhutto wanted to visit the Karachi homes of two political aides hanged earlier this year by the Zia regime. She rejected instructions from tha provincial government of Sind, of which Karachi is the contral, not the do so. Foreign capital, not to do so. Fearing



Miss Benazir Bhutto being greeted on her arrival in Pakistan last week

People's Party of Pakistan (PPP), founded by her father in 1966. He was ousted and then hanged by the Zia regima and she has emerged as the country's most viable opposition A senior Sind Government leader. But until she returned last week, she has been either Minister said on Monday she under house arrest in Karachi or in exile in London since March 1981.

Although she has held a lot capital, not to do so. Fearing the visits would cause unrest, Miss Bhutto was put under house arrest and her home was surrounded by 16 armed policemen, backed up by six truckloads of reserves.

So ended her brief period as a free and active leader of the

Mohammed Khan Junejo, that there would be "complete restoration of democracy" by

was "free to go anywhere in Sind as long as sha does not create problems for the Government." Yesterday she was arrested for three months under a martial law order which said she was: "Acting in e manner prejudicial to the security of Pakistan and/or the interest of the state, for the purpose of

pledge of its Prime Minister, Mr tha Government is prepared to shorten the period of three months to allow her to return to Europe, as she planned, to visit her ill mother in Paris.

President Zia's inherent prob-Miss Bhnito's party, has never been popular, with the people. It has been tolerated because it has not (according to most peopla) been too repressive, and it has diverted attention from its military base by fol-lowing a programma of Islamis-

the state, for the purpose of which martial law was imposed."

It was also propped up till recently by good harvests and rich remittances from Paki-stanis to be seen whether

East and elsewhere ebroad. Those benefits have declined in the past two years.

The country is now facing such serious balance of payments and budgetary problems that it may have to accept help from the Internetional Monetary Fund, which in return would require politically unpopular policies on price subsidies and agricultural taxes. Miss Bhutto would like the PPP to Blutto would like the PPP to concentrate on highlighting economic problems.

Bot throughout his reign President Zia has shown con-sumate skill as e political survivor. He has isolated and defeated political opposition, including a major rural uprising in the Bhutto stronghold of Sind two years ago, and has moved restive generals who might challenge his anthority. He has also advanced just fast enough towards parliamentary democracy to placate inter-national critics, especially in the U.S., whose economic and mili-tary support is crucial to his

His regime has been criticised there and elsewhere for alle-gedly following a nuclear weapons programme.

The validity or otherwise of these suspicions, plus the changes of a settlement of the Afghanistan problem, would have a considerable impact on the survival of the Zie regime. The proven existence of e Pakistani nuclear bomh, for example, would endanger aid from tha U.S. but could also increase the international authority of the regime.

Yet despite President Zia's sureness of touch, the way be grahbed power and the execu-tion of Miss Bhutto's father makes him potentially vulner-able: In the short term to

to stay in power, and the longer term to the popularity of the PPP and the continuing pull of the Bhutto name.

Asked in a recent interview if she would put President Zia on trial for allegedly overthrow-ing the constitution and for executing her father and other political prisoners, Miss Bhutto said: "It is a ouestion of justice. But if forgiveness and mercy is asked for, it certainly can be given."

In an attempt to huild a new popular party, Prime Minister Junejo, who took office when Pakistan's new non-party assembly was elected early this year, recently launched a controversial new Pakistan Muslim League, ridiculed by opponents as a "king's party."

He and President Zia are now widely believed to be aiming widely believed to be aiming at ending et leest some of the outward signs of military rule hy January 1. They will probably closa down local military courts (which are already shedding some of their case load) and may remove tha jobs of provincial and local martial law administrators if the law administrators if the generals allow it.

But there is little doubt that President Zia intends to remain in supreme command, possibly operating through e new national security council if he cannot retain his present joh as chief of army staff. But the increasingly vocal new national assembly may haulk et playing a subservient role to such a

Until these developments are clearer, however, there is unlikely to he a base on which the opposition could build new ogitation, unless the economy worsens sharply. As she realises, her brother's death has brought Miss Bhutto back to Pakistan

### Pilots' chief attacks Japanese investigation into Jumbo crash

BY CARLA RAPOPORT IN TOKYO

JAPAN'S investigation into tha recent JAL 747 crash was criticised yesterday by a leading crash have been found. recent JAL 747 crash was criticised yesterday by a leading official in the International Federation of Air Line Pilots

Associations.

Capt Yonosuke Tsukamoto, regional vice president (north Pacific) accused the Japanese Government of proceeding with an air of "punishment and retribution" rether than true investigation. The JAL Jumbo Jet crashed on Angust 12 killing ter."

that the Japanese anthorities are not making enough use of the foreign officials who came to Japan to help with the investigations. "Without international co-operation, no one will be able to solve the cause of the accident," he said. "This is not a purely domestic matter." vestigation. The JAL Jumbo jet is no crashed on Angust 12 killing ter."

Capt Tsukamoto intimated that the Japanese anthorities

Officials from Boeing, the aircraft's manufacturer, and the
Federal Aviation Agency of tha
U.S. are currently in Japan,

Tsukamoto.

AP edds from Peking: Contaminated Chinese fuel caused what went wrong," said Capt
a Pan Am jetliner to make an emergency landing in Japan, rederal Aviation Agency of the U.S. are currently in Japan, but it is understood that they have not been directly involved with the Government's investigations into the crash until

Earlier this week, Japan's Minister of Transport called for the resignation of the entire board of Japan Air Lines.

a Pan Am jetliner to make an emergency landing in Japan, and at least one other foreign airline is diverting flights while Peking fuel supplies are tested,

gations into the crash until board of Japan Air Lines.

"Criminal investigation is investing officials said yesterday.

"Criminal investigation is investigatio

A Pan Am representative in Peking referred callers to the airline's Tokyo office for information. In Tokyo, a Pan Am official said he had no information on the reported incident.

But managers at Jepan Air Lines and Qantas Airways said the problem began when a Pan Am flight to Tokyo in late July developed engine trouble after leaving Peking.

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ain's

### Governor's address at the general meeting of stockholders on 27 August 1985



Governor of the South African Reserve Bank

A year ago the domestic economy had just passed an upper turning point of the business cycle. Output, sales, employment and most other economic indicators were at relatively high levels. Today, a large part of the economy is in a recession. Yet, in several fundamental respects, the underlying state of the economy is sounder than it was a year ago. And, judged by economic criteria, the prospects for the year ahead are materially better than they were last August.

The message of last year'e annual address was a hard one. At that time South Africa faced a difficult period of belt-tightening and adjustment. It was evident that the corrective measures being applied to curb inflationery overspending and to improve the belance of payments would entail sacrifices and require time to exert their full effect. To quote and require time to exert the and the effect to quarter from last year's address: "In the short term we must be prepared to experience the worst of both worlds — a recessionary tendency in the economy coupled with an accelerating rate of inflation. The recession will be the combined result of natural economic forces and the present tight monetary policy. And the anticipated acceleration of the inflation rate will be the inevitable consequence of the overspending and the large depreciation of the rand during the past year."

This prognosis turned out to be correct, indeed, the chellenges confronting the economy were sub-sequently made even more difficult by the unfore-seen appreciation of the United States dollar.

against virtually all other currencies in the months up to January 1985 and the accompanying sharp fall in the dollar price of gold to a low point of economic effects of the deterioration in sociopolitical conditions in recent months.

Given all these developments, it was therefore gratifying to be able to report today that the initial policy objectives as set out a year ago have now been attained. These favourable results are due in no small measure to the success achieved by the no small measure to the success achieved by the Government in restricting the growth of public sector spending (including the wage and salary bill) and in reducing the "deficit before borrowing" in the Budget. Having expressed concern at some aspects of fiscal policy in last year'e address, I cannot feil on this occasion to record the appreciation of the Reserve Bank for the fiscal discipline imposed by the Minister of Finance under difficult inces and for the resultant improvement in the "mix" of fiscal and monetary policy.

The reasons why the present underlying economic situation is sounder and the prospects for the year ahead better than e year ago are the following:

A year ago total public and private sector spending was excessive and, as e nation, we were living beyond our means. This is mani-

A year ago all the money supply aggregates were rising at excessive rates, even after taking into account the decline in velocity of circulation. Now they are all under better control.

A year ago the ratio of personal saving to personal disposable income was negative. During the second quarter of 1985 it was a positive 71/2 per cent. A year ago both government spending and the "deficit before borrowing" were inordinately high and substantially in excess of the Budget estimates. Now they are both lower in relation to gross domestic product and closer to the Budget figures. The savings shortfall of general

government has also been greatly reduced. A year ago the United States dollar was appreciating against virtually all other currencies while the dollar price of gold was falling, in recent months the dollar has been in a downward phase and the gold price has recovered

A year ago South Africa was importing maize as a result of drought conditions. This is no longer

A year ago there was e deficit on the current account of the balance of payments of about 2 per cent of gross domestic product. Now there is a large surplus equal to about 4 per cent. A year ago the South African economy was, on balance, borrowing abroad on e substantial scale. Now it is in the process of repaying

sizeable amounts of inter-bank and other short-term foreign debt -- a tendency that has been in evidence since the fourth quarter of 1984.

A year ago the net official gold and other foreign reserves were declining. Since the beginning of the second quarter of 1985 they have shown an

From these comparisons it follows that whereas a year ago it was imperative to apply restrictive measures to curb inflationary overspending and to improve the balance of payments, e foundation now exists on which a sound economic recovery

The importance of achieving and maintaining a high average rate of reel economic growth in South Africa cannot be emphasised strongly enough. More than ever before, this country now needs economic and political policies that encourage investment, output and employment. The Reserve Bank remains firmly of the opinion that monetary stability is a precondition for optimal growth. That is why e restrictive monetary policy was applied during the past year even though it contributed to a temporary decline in real gross domestic product. That is also why every effort will be made to prevent excessive increases in the money supply prevent excessive increases in the money supply and total spending in the future. But the basic long-term objective remains economic growth with rising standards of living for all sections of the

What are the prospects for growth in the period ahead? On strictly economic grounds there is every reeson to expect a new economic upswing and an improved growth performance in 1986.

Certain key expensionary forces are already at work. Non-gold exports have been rising for months in both volume and foreign currency terms. In view of the depreciation of the rand, the rand value of these exports has, of course, shown an even larger increase. As e result of the rand'e depreciation, there has also been a substantial increase in the rand value of the gold output during the past year. Taking into account the usual "multi-plier" effects, these large increases in exportgenerated income must already be exerting signifi-cant expansionary effects on the economy,

in addition, the marked decline that has already occurred in interest rates since March 1985 should in due course lead to increased income generation through fixed and inventory investment, and there-fore else to rising consumer demand.

Both the timing and vigour of the new upswing will, of course, be influenced by exogenous factors such as the performance of the economies of the major industrial countries, the movements of the dollar price of gold, the state of the commodity markets and climatic conditions. Barring unforecyclical forces now bulkting up should prove strong enough to bring about a distinct economic recovery in South Africa in 1996.

Inflation remains e major concern. The recent depreciation of the rand, even though not caused by overspending, clearly represents a setback in the fight against inflation. The expected decline in the rate of price increases will now probably be retarded by a further rise in import prices in terms of rand. Neverthelesis, the rate of inflation ie still expected to moderate in the period shead. To ensure that this outcome materialises, any resurgence of inflationary pressures from the demand side must be avoided. While the rates of increase of money and credit must be kept high enough to promote economic recovery, they must be kept low enough to avoid rekindling the fires of inflation.

It is with this objective in mind that serious consideration is being given at present to the adoption of target rates of growth for one or more selected money supply aggregates, as recently recommended by the Commission of Inquiry into the Monetary System and Monetary Policy in South Africa. Further announcements in this regard can be expected in the course.

can be expected in due course. An important question at present, of course, is to what extent economic expansion in the period ahead will be adversely affected by the abnormal socio-political conditions preveiling in South Africa at present, including the township unrest, the state of emergency proclaimed in certain magisterial districts and the intensified threats of economic sanctions against the country. Clearly, these political developments have tended to neutralise the sound economic "fundamentals" in South Africa and have adversely affected oversees perceptions of the domestic economic situation. The result has been a net outflow of capital, a sharp depreciation of the rand and diminished growth prospects for 1986.

As indicated earlier, there has in recent months been a reversal of the net inflow through the stock exchange that was such a regular feeture of the capital account during the sixteen months up to April 1985. In itself this has thus far not constituted a major problem. The same applies to "disinvest-ment" in the form of the repartiation of the proceeds of sales by non-residents to residents of other South African assets, such as plant, equipment and buildings. The depreciation of the rand has discouraged capital repatriation in these forms and has in some cases attracted new funds. The main problem, as pointed out earlier, has been the net outflow of short-term capital resulting, among other things, from the hesitancy of some foreign banks to "roll over," maturing credits to South African banks and other business enter-

This is a matter of concern. The fact that it is not justified by economic "fundamentals" — given South Africa'e large current account surplus, tight monetary and fiscal policies, low debt-service ratio and perfect record in meeting interest and loan repsyments - does not make it less worrying. Nor does the fact that it is to a large extent based on

distorted perceptions of the nature, extent and . possible consequences of South Africa'e domestic political problems. Until these political perceptions improve, the net capital outflow is a reality that has to be taken into account by the monetary author-

In view of the large current account surplus, this pressure on the capital account can be handled. But it does imply some combination of a weaker exchange rate, a higher level of interest rates, a higher inflation rate and a lower rate of economic growth than would otherwise have prevailed. This applies not only to the Republic of South Africa but to Southern Africa as a whole, and means a lower average standard of living per head of the population of this sub-continent than would otherwise have been attained.

The present surplus on South Africa's balance of payments on current account does mean that after paying at the interest and dividence on foreign capital, the economy is still capable of financing net loan and credit repayments and other capital outflows of more than R400 million per month. Indeed, that capability has been demonstrated during most of the past year. But the need to be e "capital exporting country" in this perticular sense naturally places constraints on economic growth in a developing country life South Africa. e developing country like South Africa.

It would be unfortunate if this state of affairs left. South Africa little option but to protect itself by imposing additional restrictions of one kind or we have e choice, we would prefer not to move in that direction. Wa remain convinced that the enormous growth potential of Southern Africa can best be realised in a private enterprise and basically market-oriented system. It is only in such a system that adequate incentives can be provided for profiteble investment by both foreign and domestic business enterprises - investment that will create employment end raise living standards for all.

With goodwill on all aides, progress can and will be made in solving South Africa'a socio-political problems. In the meantime, however, there is little to be gained by depressing domestic economic activity still further. Monetary and fiscal policies have achieved what they set out to do during tha past twelve months. To tighten monetary policy at this stage would only exacerbate the recession and create more unemployment. It would contribute nothing to removing the underlying causes of the present difficulties, which are in the political field.

For that reason monetary policy will be applied in the months sheed in accordance with the principles set out earlier in this address, i.a. in a manner designed to promote economic recovery without creating new inflationery pressure or harming the

Australian,

Fatah group

By Walter Ellis In Tel Aviv AN AMERICAN and an Aus-

AN AMERICAN and an Australian, together with six alleged members of Al Fatah, the Palestinian guerrilia army led by Mr Yassir Arafat, were still being detained yesterday following an abortive attempt last Saturday to land from a yacht near the Lebanese Dort of Sidon.

According to the Israeli military, the six Palestinians hed been planning a showploce attack no targets in Galileo during the forthcoming Jewish High Holy days.

An Israeli naval patrol nitercepted their yacht outside territorial waters and escorted it

cepted their yacht outside textitorial waters and escorted it
into the port of Hails. Intervogation of the two westerners
agreed to ferry the suspect
indicated that they had merely
guerrillar to Lebanon from
according to Israel, would have
Algeria. The Al Fatah men,
made their way across country.

An Israeli army spokesman

An Israeli army spokesman to Galilee.

trainings in Algeria for their aid that the guerrillas bed been intended mission for more than

Three other Palestinians, this

time fro mthe occupied West Bank, were issued with adminis-

Bank, were issued with administrative detention orders early yesterday and now face deportation. All have histories of conflict with the Israeli forces.

and all have eerved prison

The Israeli Government is

year.

American

held with

### **Future of China's** reform policies secure, says Deng

DENG XIAOPING, China's leader, outside the country that China's economic reforms will end when he departs and has stressed that the survival of the reform policy is not dependent on "one man."

At a meeting yesterday with a Japanese Socialist Party delegation in Peking, Deng said the "correct-ness of China's policies themselves would ensure their survival: If China's reforms achieve the good results we hope for, we will not only ensure sustained and stable development this century, but also in the next one."

He emphasised that the special party conference called for next month would see more young peo-ple appointed to the Communist Party's central committee and

The maeting is expected to give a good indication of the strength of Deng'a "reformists" and of the support for Deng himself.

The Chinese leader has attempt is aware of concern both within and ed to ensure a smooth succession of power by pensioning off older officials - some of whom are ideologically opposed to the open-door policy - and replacing them with younger, better educated and more pragmatic officials. He has ettempted to line up not only the next gen-aration of leaders, but also the generation to succeed them.

Deng told the visiting Japanese that the economic restructuring of China was e "great cause."

"We will do our best to avoid making big mistakes and correct any that we do make," he said.

Some people, he said, were worri-ed that China would become a capi-talist nation, but that would definitely not happen, and the country would insist on two things: the pre-dominant position of public ownership and the prevention of polarisa-tion of wealth in the drive for prosperity for all.

### Pilot 'will go to Taiwan'

SOUTH KOREA'S Government has decided to send the pilot of a crashed Chinese bomber to Taiwan and return the radio operator to respective wishes, Dong-a Ilbo, Seoul's national daily newspaper, said yesterday, AP reports.

The newspaper, quoting uniden-tified officials, said that a government announcement on the alleged decision was imminent. No official confirmation was immediately

Government planned to hand over the wrecked Chinese aircraft and

Dong-a-Hbo also said that the

the body of the navigator who was killed during the crash-landing if China requested. China has not yet made a formal request for their

Chinese military aircraft involved in previous defection flights were all kept in South Korea because, one official said, China did not ask for their return.

### Thatcher goodwill message

military government in Nigeria,
Downing Street said today.

A spokesman would not say
what the contents of the meswhat the contents of the c

what the contents of the mes-sage were, beyond saying that it was "a goodwill message" but confirmed that it was sent by the Prime Minister early today to be new Government, headed by Maj Gen Babangida. A Foreign Office spokesman said it was still hoped Sir Geoffrey Howe, the Foreign Secre-tary, would visit Nigeria on military regime.

MRS THATCHER has sent a September 10 and 11. The goodwill message to the new Foreign Office also welcomed military government in Nigeria, Downing Street said today.

September 10 and 11. The goodwill message to the nation broadcast by the new President

ticularly as regards the economic problems facing Nigeria."

Among other subjects Sir Geoffrey wants to raise with the Nigerians is the plight of Britons detained by the previous

### 18 die in S. African day of violence

AT LEAST 18 people have died, and yesterday morning, II were attributed to police action. Other deaths were reported in suburbs, in Sonth Africa's Parl and Soweto.

Police were reported by the since the state of emergency was imposed on July 20.

Journalists have been barred from Cape Town's Guguletu township where some of the worst violence bas occurred, with police and army units employing tear gas, rubber bullets and shotguns to disperse demonstrators. Of the 12 fetalities in Guguletu on Wednesday

AT LEAST 18 people have died, and yesterday morning, II were attributed to police action. On television that he supported the state of emergency, was destroyed by fire.

Police were reported by the south Africa today was criticated to police action. On television that he supported they had considered cancelling the state of emergency, was destroyed by fire.

The European Community delegations due to arrive in siston to see the detained nationalist leader, Mr Nelson Manedla.

"Stormed" school grounds in South African churchmen for accepting conditions imposed upon them by the South African Government.

Bishop Desmond Tuth, the anglican bishop of Johannesburg, and Dr Beyers Naude, the church-ties in Guguletu on Wednesday

Town black and mixed race Other deaths were reported in the state of emergency, was destroyed by fire.

The European Community delegations due to arrive in South Africa today was criticated to yesterday by two leading nationalist leader, Mr Nelson Manedla.

"In future we do not intend to make ourselves available for similar delegations who have unacceptable conditions imposed to make ourselves available for similar delegations who have unacceptable conditions imposed to match the state of emergency, was destroyed by fire.

The European Community delegations due to arrive in South African proving in African churchmen for accepting conditions imposed to match the delegation proving in the state of emergency, was destroyed by fire.

The European Community of the survey in South African churchmen for a ties in Guguletu on Wednesday

In Port Elizabeth, the home secretary of the South African men-

Black NUM may yet choose to pit its might against the mining groups

### Miners strike at complacency

BY OUR CORRESPONDENT IN IOHANNESBURG

THE ONLY piece of good news for the South African Government in a tumultuous week was the decision by the black National Union of Mineworkers (NUM) to back away from a major confrontation with the country's gold and coal mining

Despite calling for a strike from Sunday affecting 60,000 workers on mines owned by Anglo Vaal, Gencor and Gold Fields, the NUM acceptance of new waga offers from Anglo American, Rand Mines (and Johannesburg Consolidated In-vestments, although JCI has not been a party to the dispute) the union has ensured that the bulk of South Africa's gold and coal production will be unaffected.

However, given the volatile However, given the volatile South African political stimation, there may still be trouble in store for the mining companies. There is always the substantial will in the strike on the different with improved affected mines—which the companies say they can ride out, given weak NUM representation and the absence of a strike and the strike on the paintes say they can ride out, given weak NUM representation and the absence of a strike and the strike on the paintes say they can ride out, given weak NUM demand of 22 per cent affected mines—which the companies which have settled.

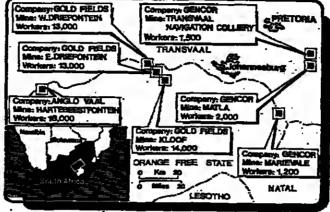
Any moves against strikers, say the NUM will be met by south "solidarity action" on other mines. Nevertheless, ever since the Chamber of Mines, in the past united in its treatment of wage claims, spilit and made a series of unilateral offers led by Angio American, the miners which series of unilateral offers led by Angio American, the miners which series of unilateral offers led by Angio American, the miners of the Chamber of Mines, in the nulon is strongest on the Angio mines — around 80 per cent of its membership — so strike action beld the best chamber of fixed of the control of the original and made a substantial advances in recent years which, argue in Chamber of Mines, in the Chamber of Mines, in the majority of the industry's reliance on in recent years which, argue in the reading propers of the chamber of Mines, in the majority of the industry's reliance on in recent years which, argue in the areas from which the bulk of the miners are recruited.

The union is strongest on the chamber of Mines, in the majority of the industry's reliance on in recent years which, argue in the areas from which the bulk of the miners are recruited.

The union is strongest on the chamber of Mines, have left the majority of the mines have recruited to the solidation of readil discrimination, the miners are recruited.

The union is strongest on the chamber of Mines, have left the majority of the miners are recruited.

The union is strongest on the chamber o South African political situa-



top of the 14.1 per cent to 19.6 June 1985.

Less than 3 per cent of the black miners actually live with their wives and families on mine property, so the chamber describes the remaining 97 per cent as migrant workers.

They live in single-sex hostels which, according to one industrial relations expert, symbolise the fact that miners are denied homes of their own while at work. Clearly, the solution to this problem is political rather than economic.

than economic.

Managemant points to tha evidence showing major improvements in what historically was a harsh labour system. At the end of last year, the average monthly wage for unskilled mineworkers in December 1984 amounted to R358 (£102), excluding fringa benefits compared with a national average wage for blacks of R388 a month and earnings of R315 in commerce, R375 in construction and R485 in manufacturing.

The industry over time has



Pakistan, Afghan talks

reopen By Mohammed Aftab in Geneva TALKS between Pakistan TALKS between Paristan and Afgbanistan opened yesterday following two days of deadlock, and focused on the question of international guarantees by the U.S. and the Soviet Union to enforce any settlement that may remerate.

emerge. Pakistan declined to talk directly to the Moscow-backed Kabul regime'a Foreign Minister, Mr Shah Moham-med Dest, who had earlier insisted that the four-year-old insisted that the four-year-old talks should abandon the old prorisinity formula, under which the two delegations sit in separate rooms, while Mr Diego Cordovez, the United Nations negotiator, conveys points 6. view.
Pakistan refuses to recon-

Pakistan refuses to recog-nize the Kabul regime, because it was brought into power by Soviet troops. Only one day of talks now remains because of the deadlock. "Reactions to the guaran-

"Reactions to the guarantee arrangements had been recieved both from Washington and Moscow," a senior diplomat said,

The four elements involving an agreement are:

The withdrawal of Soviet troops, within an agreed time;

The return of nearly 4m Afrian refugees (3m in Paki-Afghan refugees (3m in Paki-stan and 1m in Iran); stan and lm in Iran);
OThe non-interference and
non-intervention by other
countries and groups into
Afghan affairs, and
O The provision of international guarantees.
Some headway has been
made on three elements of
the proposed agreement, but

the proposed agreement, but the question of withdrawal of the 110,000 Soviet troops in

The Israeli Government is increasingly concerned about attacks on its forces in the West Bank area. In several recent instances, no culprits have been apprehended, and there is a suspicion that a "get tough" policy has been adopted to deter terrorism in future. Egypt appeals to ILO

over Libya expulsions EGYPT HAS asked the International Labour Organisation to intervene with Libya to protect the rights of Egyptians who are being expelled from Libya in their thousands by air, land and see, Trevor Mostyn reperts from Cairo.

According to reports, up to 6,000 Egyptian workers heve already been expelled after being given the choice of Libyan citizenship or expulsion.

### AMERICAN NEWS

GARCIA AIMS TO ELIMINATE TAX CREDITS

### Peru rescinds main oil contracts

Colombia fears reprisals

as guerrilla leader dies

BY DOREEN GILLESPIE IN LIMA

PERU HAS rescinded operating now in Government has long In recent days the comma contracts, signed since 1971, with two U.S. based companies, Occidental Petroleum Corporation and Belco Petroleum Corporation, as well as a consortium formed by Occidental with Brides Exploration y Produccion

of Buenos Aires. The companies together produce about two-thirds of Peru's 192,000 barrels per day crude

President Alan Garcia'a new radical Government has at the same time euthorised the Ministry of Energy end Mines and Petroperu, the national oil concern, the negotiate new contracts with the companies within 90 calendar days.

within 90 calendar days.

The aim is to eliminate controversial tax credits authorised from the oil companies yester day; but the decision apparday; but the decision apparday; but the decision apparators where the de during the previous Govern-ment and which the Apra party

**Bolivia** closes

banks prior to

austerity plan

THE Bolivian Covernment

yesterday ordered a one day closure of banks while it intro-

duced a tough economic pack-age to combat the country's

age to comoat the country of massive hyperinflation. A central bank communique said measures would be announced later in the day and that normal

banking business would resume

One of the main measures will be the scrapping of the

Bollvian peso and its replacement by a new uoit equivalent to 1m pesos. Bolivia's inflation is running et 14,000 per cent—

A new exchange rate against the dollar is also expected to be announced to reduce the spread between the official and black market quotations. The

official rate is 75,000 pesos to

the dollar against a black market exchange of 1.4m pesos.

three weeks after President

Victor Paz Estenssoro took office. Since taking over, tha

new President has encouraged renewed contacts with the

International Monetary Fund.

He is anxious to work out an

arrangement for payments on Bolivia's \$4.9bn (£3.5bn)

foreign debt that would take

into account the country's dire economic plight. Bolivia is

\$147m behind on principal and

interest payments to commercial

The economic peckage comes

the highest in the world.

today.

By Our Foreign Staff

disputed. President announced the elimination of tax credits in his ineugural adress last month. He said these would be replaced by other incentives simed at attracting foreign investments.

The decree does not affect two other foreign companies operating in Peru, Royal Dutch Shell and Texaco, who are still in the exploration stage.

Although the move comes
against the background of a
complex and lengthy dispute
within Peru over incentives to encourage foreign oil exploration, It risks being terpreted as a warning to foreign investment

as a whole.

There was no formal reaction

BY ROBERT GRAHAM

THE Colombian Government was yesterday hracing itself for terrorist reprisals following the death on Wednesday of Sr Ivan Marino Ospina, a key member of the country's second largest guerrilla group M-19. Sr Ospina, leader of the hardline faction within the left-wing guerrilla organisation, was killed in a shoot-ont with security forces in the city of Cali, 450 miles south east of the capital, Bogota.

The killing of Sr Ospina along with two others and an unspecified number of wounded is the most serious incident since M-19 in June broke e year-long

in June broke e year-long Government-negotiated truce. The city of Cali and the

surrounding agricultural zone in the south of Colombia has

been the scene of greet friction between landowners and the

guerrilla movements in recent

The security operation in which Sr Ospina was killed had

been prompted by a wave of assassinations, robberies and kidnaps. According to military officials, Sr Ospina was surrounded in e building in a Cali

suburb and asked to surrender

but instead chose to shoot it out.

Sr Ospina was the bead of the M-19's military operations

Friction

have been having a number of informal contacts with officials to arrange contracts for new blocks. Occidental Petroleum bad gone so far as to inform the Ministry of Energy and Mines of its interest in exploring new jungle blocks. Industry sources said yesterday that the

concerned over its tone. The decision was made public vincial town rally exactly e month after he assumed office on July 28. In a populist speech the 36-year-old President said that the tax credits granted to the companies were intended

taken advantage of the truce to weaken the guerrilla's military strength. The army, on the other hand, has maintained that elements within M-19 had taken

advantage oft he truce to re-cruit and build up arms stocks.

New recruitment is believed to have boosted M-19's ranks to over 5,000 hut it still remains much smaller in size to the communist-inspired Colombian Revolutionary Armed Front (FARC) which continues to observe the truce and has formed a new political party.

e new political party, the United Patriotic Front. Recently, elements within M-19 are under-

stood to have made indirect approaches to the government indicating their willingness to

resume a dialogue. These over-tures now risk being dropped, according to officials in Bogota.

The upsurge in guerrilla violence was underlined by

figures recently released by the

Defence Ministry for the period July 1984-85. A total of 605

and has been the mein figure guerrillas, 272 peasants and 243

Dialogue

companies were disconcerted by

the decree announcement and

reserves of over 200m barrels during the past few years.

President Garcia promised to take legal action against those officials who permitted the law to be misinterpreted. When introduced by the previous Beleunde administration, the Apra party bothy contested the tex credits as being overly

In an effort to balance the President's announcement, the bead of Petroperu later insisted thet the rescinding of the contracts did not mean any takeover of foreign installations or a halt in either production or exploration. The Government to promote exploration and had is apparently keen for oil not heen used in the spirit of activity to proceed normally the law. As a result the state during the next 90 days while hed suffered large losses in new contracts are negotiated.

### **More Boston** banks 'may

be indicted' sponsored last year by Presi-claimed that the military had

THE U.S. attorney for Boston, Mr William F. Weld, said yesterday be expects three or four Boston banks to be indicted this autumn for falling to report Large cash transactions to the U.S. Treasury Department, AP-DJ reports from Boston, Federal law requires banks

to report most cash transactions of \$10,000 (£7,142) or more. Colombian officials yesterday said they feared Sr Ospina's death could lead to an escalation of violence, especially in urban The law is designed to thwart money laundering schemes. Mr Weld declined to name the

banks, but three Boston banks have acknowledged in recent months that they are under criminal investigation. They are: Bank of New England Corp, the region's second-biggest hank, Shawmut Bank of Boston, the third largest, and Provident Institution for

Savings, one of the oldest U.S. savings and loan associations.
All three said federal investigators bad left their banks several months ago and they did not know if they were the banks the U.S. attorney was referring to.

Their disclosures last spring followed the guilty plea of Bank of Boston Corp's First National Bank of Boston in February of failing to report \$1.22bn in large cash transactions. It paid a \$500,000 criminal fine.

Three New York banks sub-sequently paid civil fines for and has been the mein figure guerrillas, 272 peasants and 243 currency-law violations. On in fevour of breaking the truce soldiers and policement died in Tuesday, Crocker National Bank dent Belisario Betancur. He clashes during this period. was fined \$2.25m.

### THE United Steelworkers Union of the U.S. said yesterday it would appeal against Airlines two years ago, when

BY TERRY DODSWORTH IN NEW YORK

a precedent-setting court decision which allows companies to use the bankruptcy laws to abrogate their labour.

contracts.

The union's comments followed a new indgment supporting the action of the Wheeling-Pittsburgh steel group, which filed for bank-ruptcy last month and later imposed a reduced wage package after nullifying its existing contract. existing contract.
Wheeling - Pittsburgh's

action has sent a chill through the entire U.S. trade union movement, which is already fighting a losing battle against declining membership. Many unions have been forced in accept pay and benefits conaccept pay and benents con-cessions in the financially hard-pressed heavy industry sectors and are struggling bitterly against a honadly anti-union climate in the present Washington Admini-

The roots of the Wheeling-

the company cut wages by half after filing for bank-ruptcy under the Chapter 11 reorganisation procedures. This section of the bank

ruptcy code is designed to give companies retection from their creditors while they reorganise into a going concern. Until Continental's action, unions had always assumed that their contracts were governed by the labour rather than the bankruptcy laws and that their interests ranked ahead of those of a

rance anead or those of a company's creditors.
Following a political storm ever the Continental case, Congress altered the law to demand court approval for companies operating under Chapter 11 who wanted to abrogate their labour contracts. But as Wheeling Ditts. tracts. But at Wheeling-Pitts-burgh, where the steelworkers went on strike after a pro-posed pay and benefits reduc-tion to \$17.50 (£12.50) an hour from \$21.40, this amend-

the protection they expected. bankruptcy judge made a strong ruling for the steel manufacturer, saying that reduced wages were necessary at the company. The latest federal district court judgment in Pittsburgh supported that view. The judge said that the bankruptcy code was not intended to shield employees "from the con-sequences of an employer's financial plight."

ment has not given employees

Steelworkers to appeal on labour contracts

The USW says it is receiving strong national support from other trade unions on the issue and is now planning to appeal to the third circuit of appeal in Philadelphia. It may even take the matter to the Supreme Court. A separthe Supreme Court. A separate fund has been set up to fight the case, it said.

"We contend that the company failed to demonstrate that it was taking necessary action," the mion added.

Although it is fighting hard

on the legal question, the USW has constantly said that it is willing to negotiate: on the specific wages issue. But it argues that this is a question which has to be tackled by normal collectivebargaining processes and for the time being it remains on strike at Wheeling-Pittsburgh.

"We recognise that the company has financial prob-lems," the union said yesterday. In another incident demonstrating the problems of the U.S. steel companies, I/IV, nue of the industry leaders, said yesterday that it was reducing salaries by seven per cent from the beginning of next month.

of next month. About 8,000 salaried comployees will be affected by the move, which will be accompanied by the elimination of Sunday premium and shift differential pay. a change in holiday and overtime pay to straight time rates, and the elimination of two paid holidays.

Margarita Zimmerman in Havana on the problems of job creation

### Cuba's hidden unemployed clock on

A study by the Department of Labour Inspection for the capital, Havana, and adjoining areas showed that 18 per cent of the workers in a broad sample of factories, offices and shops had failed to report to work, while another 21 per cent had clocked in but were not at their iob station at the time of the inspection. Another 9.5 per cent belonged to the occupational category of "manager" so that they were not obliged to clock in and out.

During on-the-spot surveys in

Havana, about 25 per cent of the people questioned while questing to enter shops and cinemas admitted that they were doing so in working bours. Most of them had simply clocked in and left on the pretext of some "urgent errand," end a few were shopping for their superlors.

The Union of Public Administration Workers, whose members staff the offices and support services of ministries and other Government egencies, says the problem arises from

CUBA'S DRIVE for economic such "widespread practices" exchange rate), while efficiency, energy conservation in Cuban society as overstaffing average wage is peros 160 and increased exports has laid and low work loads, which are hidden unemployment as mean a great deal of "surplus characteristic of Cuba too trade union activists critical and the control of the cont

Appeals for economic efficiency and tighter work discipline, however, have not been followed by personnel reductions. Cuba's leaders take pains to reassure people that redundant workers will be found new jobs with no loss of pay or seniority.

A month after declaring that only those committed to conservation, saving and ansterity could call themselves revolu-tionaries, President Fidal Castro said in January that the pre-aent situation is "to a great extent due to the scale of unemployment et the time of the (1959) revolution, and the heavy pressure on the Government to create new jobs." Most of the jobs "created"

then still exist end ere filled hy a succession of school leavers, housewives whom the Women's Federation regards as

In a paradox that is characteristic of Cuba today, trade union activists criticise the economic inefficiency embodied in this situation, while, in a different context, they defend make-work low-pay johs as a kind of subsidy for youth to resume their education and earn a living at the context. and earn a living at the same

There is no unemployment insurance because official there is no unemployment. The eastern part of the country, especially Santiago, the second largest city (pop: 915,000), is anknowledged by President Castro to have a "surplus labour force," It is sborbed to some extent by the rapidly expanding youth detachements for coffee, cacao the change in emphasis from politics to profits has been emerging from the annual meetpopulated Sierra Maestra mountains.

Industry.

Another clear indication of the change in emphasis from the change in emerging from the annual meetings of Communist Perty memberse in the country's 169 municipalities.

promised housing and high-piece-work rates if they pledge

countryside, where they con-tinued to receive their usual pay.

two paid holidays.

Incentive pay schemes play a key role in what President Castro has called the "economic war of all the people." However, application is advancing slowly, Sr Humbertn Perez, the Minister-president of the Central Planning Board, told more than 400 cadre in business administration recently.

Sr Perez said workers should receive 20-40 per cent of their total pay under incentive schemes. However, the Uniop of Food Processing Workers earlier reported thet only ebout 1 par cent of its members' wages comes from bonuses, the main incentive plan in the industry.

The agenda nrges the local party, in order of priority, to make all the enterprises in each women's Federation regards as needing employment and youths demobilised from the Armed Forces.

They generally earn the minimum monthly wage of pesos 85 (280 at the unofficial ductive, city people to the please of priority, to make all the enterprises in each area profitable, to conserve financial and to see to the political and to see to the political and new generation.

### girl-mole, perhaps (9)

TOYOTA, Japan's major auto-motive group, has no intention announced for Toyota's own factories in North America—

USA, insisted yesterday.
In 1985, Toyota will sell
900,000 vehicles in the U.S.:
600,000 cars and the rest mainly
light pick-up trucks also widely used for personal transport there. This compares with 850,000 vehicles in 1984. Mr McCurry admitted be still had no idea how many cars the

U.S. Toyota company would receive oext year because the Japanese were continuing to exercise voluntary restraint on exports to North America. But be boped the U.S. would be allocated another 25,000 pick-

Toyota's production plans in the U.S. include extending out-pot of the Freemont, California, car plant jointly owned with General Motors—the world's largest vehicles group—to include the Corolla for its own network, as well as the models currently being made for GM's prrently being made for GM's market." But Toyota would not hewrolet division.

Preliminary plans bave been be "pushed up market."

motive groop, has no intention factories in North Americaof cutting exports of cars to the
U.S. as it builds up production about 200,000 Campy models a
there in the next few years, Mr
Bob McCurry, senior vicepresident of Toyota Motor Sales
U.S. a insisted wasterday.

Mr McCurry told the Automotive News world congress that 30 potential sites for the U.S. plant were soon to be

evaluated by Toyota in Japan which should make its decision by the end of the year. Toyota was looking for 800area with a good labour supply and a good transport system. Accessibility of component supplies would also be a factor in the decision.

Mr McCurry acknowledged that in the near future Toyota that in the near future Thyota would have to cope with competition not only from other Japanese companies setting up in the U.S.—their output together with Toyota's is likely to reach 1m a year by 1990—but also from South Korean imports. Competition was boood to increase—"I think there will be a big shoot-out in the small car

Stewart Fleming in Washington looks at why one U.S. industry has been denied a breathing-space

### Reagan takes a free-trade step on shoe imports

dustry's demands for protection from foreign imports provided the Reagan Administration with en excellent opportunity to nail its free trade colours to the

which urged the international trade commission (ITC) to launch the latest investigation of the impact of imports on the industry — shoe manufacturers are by no stretch of tha imagination one of Washingtou's most influential lobbying groups.

The industry has only a little over 100,000 workers scattered around 10 states. Moreover, both political and economic arguments reviewed by a Presi-dent who has loudly proclaimed his adherence to the free trade his adherence to the free trade philosophy, pointed in the direction of the decision which be announced on Wednesday, to deny the industry another breathing space in which to match up to foreign imports.

President Reagan, in his statement oo the case, reminded Congress that protection for the industry provided by both presidents Ford and Carter had out resulted in a national competitiveness.

It is largely the conviction that America's long-term econo-mic performance will be im-proved if the White House does not impede the structural changes in its industrial been making e lot of noise on economy stemming from fierce Capitol Hill — indeed, it was import competition, which the Senate Finance Committee underpins the Administration's commitment to free trade.

The president pointedly remarked: "In fact, while un-

marked. In fact, while the protected by quotas, the show industry has begun to show positive signs of adjustment. Producers have invested in state-of-the-art manufacturing equipment, modernising their operations and diversifying into profitable retail operations."

To back up its case, the White House argued that protection would cost American consumers \$2bn-\$3bn, and would expose the U.S. to \$2bn (£1.4bo)-worth of compensatory trade concessions under the rules of the Geoeral Agreement on Tariffs and Trade.

This in turn could indirectly result in lost jobs in other U.S. export industries and would be damaging to America's trade and diplomatic relationships. by both presidents Ford and larly lo mind here. It exports Carter had oot resulted in a \$1bn worth of shoes a year to transformation of its interthe U.S. Moreover, the political situatioo in the country is par-Dr Clayton Yeutter, the President's trade representative meot agonises over the implicabluntly told a press briefing tions of its crushing debt bur-

TOP Japanese officials will be making trips to the U.S. over the next two months largely in a bid to ease trade frictions. Carla Rapoport reports from Tokyo. Japan's Prime Minister, will travel to Washington en October 20 when he will meet

President Ronald Reagan. address the U.N. General Assembly. Next month, Mr Susumo Nikaido, vice-presi-dent of the ruling Liberal-Democratic Party (LDP), will lead an LDP delegation to the U.S. to discuss trade issues.

But it is, of course, not diffi-cult to come up with rationalisations for any decision you want to make. Many of these arguments could just have easily been applied to the American steel industry's demands last year for the protection which tha Administration conceded

Apart from the greater poli-tical clout which the steel industhat if they caved in on shoe quotas, they would be encouraging literally bundreds of other protectionist special interest groups to come flooding up the White House driveway demand-

Dr Clayton Yeutter

protection Between 200 and 300 individual protectionist Bills are in Congress at present. argued that denying the shoe industry protection after tha ITC investigation under Section 201 of the Trade Act had produced a recommendation that imports be curbed, will only inflame protectionist passions. Senator John Danforth is curb Presidential discretion in But the White House clearly feels that the protectionist thrust in Congress is still too

the President's decision to bring into action the recently strengthened Section 301 of the Trade Act, oeeds to be assessed. The symbolism of the President's announcement that for the first time in bistory the

said Dr Yeutter, is that "we will in the future be very aggressive in defeoding, articulating, the interests of the United States in the face of un-Section 301 of the Trade Act

is a potentially powerful wea-pon. Under it, the President is given carte blanche to retaliate against unfair trade practices of other countries by suspending, withdrawing or modifying trade agreements, imposing duties or fees, or blocking access to U.S. markets. He can take this action in retaliation against any unfair trade practices which, after

investigation by the Trada Representative, be deems to be "unjustifiable, unreasonable or discrimatory.

Clearly, a President wantonly wielding this particular weapon

Indeed, officials prepared to lift the veil a little oo what is likely to surface, point out that Dr Yeutter bad to fight bard within the White House to The symbolism of the President's announcement that for the first time in bistory the White House is going to Itself with the President made. Although no flual decisions have been made, it seems that initiate cases under Section 301 against a few yenter.

The message being sent out, said Dr Yeutter, is that "we to improve the access of IIS." to improve the access of U.S. goods and services to foreign markets. rather than protection for domestic indus-

> South Korean restrictions oo foreign sales of casualty and life insurance, Japanese restrictions on tobacco, leather and perbaps aluminium imports, and Braziliao curbs on certain computer imports are said to among the items on the list. The Administration's barsbest critics in Congress are clearly oot going to be satisfied with this reformulation of trade policy which does not protect their coostituents against what they see as unfair trade prac-Oces abroad.
>
> The battle over trade policy. bowever, is only beginning to heat up. As ocxt year's Congressional elections approach and there is still no sign of the

### Brazil near \$900m light truck deal with Chinese

BY ANDREW WHITLEY IN SAO PAULO

coocluding a \$900m (£642m) and agricultural trucks, MWM deal with China, for the sale of Motores Diesel, the Brazilian 60,000 light trucks in knocked- subsidiary of the West German down form over the next ten

Floal contracts could be signed at the end of next month when a Chinese mission, including representatives of the Anhui Shuzhou Diesel Engine Factory, who will assemble the Brazilian designed truck, is due in Sao

Sr Andre de Boiton, manag-ing director of the diversified Mesbia group, which has put to-gether the deal, said yesterday that part of the payment would

BRAZIL IS on the verge of based manufacturers of tractor vehicle components manufac-turer Knorr-Bremse K.G., and Mesbla Trading Inc, a recently established trading company.

> Shipment of the trucks to Anhui province in Western China is expected to commeoce later this year. Over the first year 1,500 will be dispatched, building op to a peak of 15,000 units by the fourth year of the

that part of the payment would be in the form of counter-trade. Chinese foodstoffs, such as prawns and soya and other Is 63 HP diesel engines will padd, will be exported to the U.S., where Mesbla has a trading subsidiary.

Involved oo the Brazilian side are Agrale, the Grande do Sul-The cootract also involves a

### China pledges to increase imports from Australia

ports of Australian products A\$58.6m in 1983-84. will continue to increase, despite a large bilateral trade surplus in Australia's favour and despite China's serious balance pushing China in grown teath despite China's serious balance of trade problems.

The assurance was given to the visiting Aostralian Trade Minister, Mr John Dawkins, wbo announced yesterday that Australia and China bave signed a memoraodum of understanding for co-operation in the wool industry, and that Australia has bad a minor coup by securing further wheat sales to China.

Under the memorandum, the two countries will establish a joint working group to study prospects for increased Australian wool exports to China, and for increased Chinese garment exports to Australia, as well as examining the feasibility of each country investing in the other's textile industry.

AN AUSTRALIAN trade delegation has received asurances of A\$144.4m (£90m) in the from Chinese of A\$144.4m (£90m) in the last financial year, compared to Overall, Australia's exports to

> ket ladder. China's exports to Australia rose by 21 per cent to A\$367m, producing a deficit of almost

> place to fifth on its export mar-

Mr Dawkins said officials at China's Ministry for Foreign Economic Relations and Trade accepted his explanation that Australia is only a small market, and can best serve China by providing the resources occessary for exports to other countries.

China's Ministry of Customs announced that the country had

# INDEXLINKEDCERTIFICATESNATIONALSAVINGSINDEXLINKEDCERTIFICATESNATIONALS SAVINGSINDEXLINKEDCE MATIONAL SAVINGSINDEXLINKED CERTIFICATES MATIONAL SAVINGSINDEXLINKED CERTIFICATES MATIONAL SAVINGSINDEXLINKED CERTIFICATES MATIONAL SAVINGSINDEXLINKED CERTIFICATES MINICH IN THE ICAN I NATIONALSAVINGSINDEXLINKEDCERTIF CATES AND ALSAVINGSINDE CERTIFICATES AND ALSAVINGSINDEXLINKEDCERTIFICATES AND ALSAVINGSIN

accumulated a trade deficit of \$7.89hn (£5.6bo) in the first seven months of 1985. Despite the assurances given to Mr textile industry.

Australian wool exports to afford to run a large deficit with China have boomed in the past

### Benin cancels oilfield deal with Norwegians

BY FAY GJESTER IN OSLO AND JOHN WICKS IN ZURICH

has cancelled a long-term oil field consultancy deal with Saga Petroleum, the Norwegian oil independent.

independent.

Pan Ocean Oll company
(Panoco), a Swiss-registered
company, will take an operating
interest in the field.

Sags said it bad received a
letter from Benin annulling—
without explanation—its contract to operate e small offshore
oilfield, Semé, belonging to the
West African state.

Panoco is reported to have

Panoco is reported to have

1989.

covernment asking to a separation.

The Panoco agreement also covers plans for fertiliser capacities, hydro-electric dams, housing, irrigation, the building of a new international airroat roads and refining facili-

THE GOVERNMENT of Benin said that financing would be by tion of existing financing and private investment."

west African state.

Panceo is reported to have concluded a \$25n (£1.45n) agreement giving it rights to all the country's hydrocarbon resources—including the Seme field—and promising to boost the field's output from around \$5.000 barrels a day to about \$25,000, within a year.

Saga has written to the Benin Government asking for an explanation.

The Panoco is reported to have sonnel to take over in January 1989.

Saga's experts have helped the Benin Government to propare geological information about other parts of the country's shelf, for sale to oil companies interested in seeking exploration licences.

The Panoco is reported to have somel to take over in January 1989.

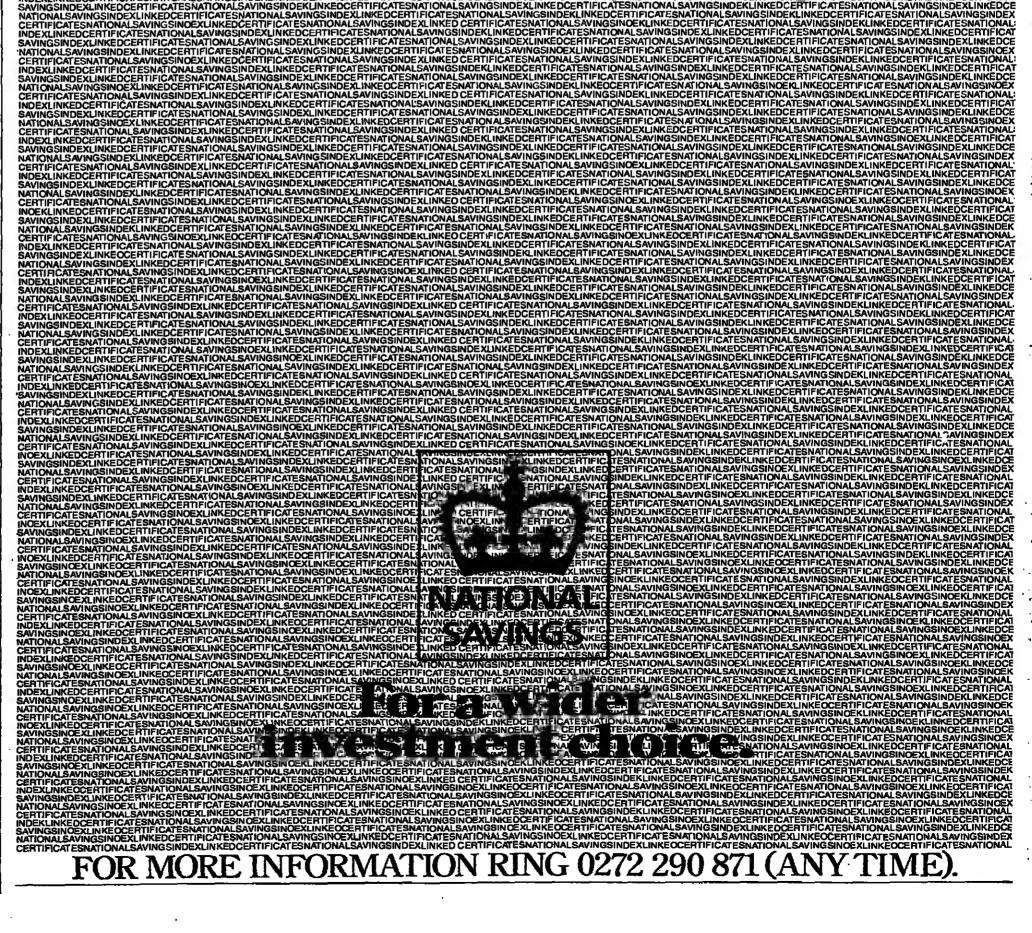
covers plans for fertiliser capacities, hydro-electric dams, housing, irrigation, the building of a new international airport, roads and refining facilities.

A Panoco spokesman said the projects would be carried out partly on a contract basis and through joint ventures.

He declined to comment on the breakdown of costs between Benin and Panoco, but the standard out the breakdown of costs between Benin and Panoco, but the standard out the standard out the breakdown of costs between Benin and Panoco, but the standard outperfect to Benin under Norwegian exported to Benin under Norwegian exported to Benin under Norwegian export credit guarantees.

The project loans raised to finance the development have been gradually repaid from an account in Oslo, with Bergan Bank, into which a large share of Benin's earnings from its oil production has been paid.

This was a part of the financing agreement. About NET form of the debt is still outperfect to the project loans raised to finance the development have been gradually repaid from an account in Oslo, with Bergan Bank, into which a large share of Benin's earnings from its oil production has been paid.



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### Airline services almost normal despite 737 engine checks

Among independent UK sirlines

aircraft were back in service. Orion

Airways said its entire fleet of nine

was serviceable. Britannia Airways

said checks had still to be complet-

ing DC-9 jets, were not affected.

matter of prudence.

BA said that, in addition to re-

terests, said in Amsterdam that the

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

near-normal service yesterday, despite the withdrawal of four of its Boeing 737 jets for changes to engine combustion chambers. Some (out of its total 737 fleet of 44 aircraft, also used by Airtours) had the that schedules could be maintained.

The work on the engines followed the checks on all such aircraft ordered by the UK Civil Aviation Authority (CAA) earlier this week after the disaster at Manchester air-

port last week. An engine of a Boeing 737 of British Airtours (a subsidiary of British Airways) exploded on take off and caused a fire which killed 55 of the 136 passengers and crew on board.
The checks on the UK fleet cover

all 737s with Pratt & Whitney JTBD engines which have previously had modifications to parts of their com-bustion chambers. The Boeing at Manchester had had such a modifi-

Similar checks on the same version of the 737 are being conducted in the U.S. on the instructions of the deral Aviation Administration

The FAA checks will cover some 2,000 JTBD engines, out of a total of 12,000 in service world-wide, in Boeing 737s, 727s and McDonnell Douglas DC-9s. They are all of the series

The FAA checks will take longer to undertake than those in the UK. because of the large number of air seating arrangements and emer-craft involved, and spokesmen were gency aisle lights.

BRITISH AIRWAYS was running a unable to indicate how much travel Mr Hans Krakaner, its senior vice president, said that the num-In the UK, BA said late on Wed- ber of disasters could be reduced if nesday that four of the 12 aircraft the industry produced safer air-

> been grounded because of combusmore and bigger emergency exit doors and the banning of smoking tion chamber defects. It would take several days for these to be reon flights of less than three hours.

> Mr Krakauer said he intended to In the meantime, reserve aircraft have been brought back into service to help maintain schedules. raise these matters at an air safety conference being organised in Seat-tle next week (the home of Bosing) by the U.S. Department of Transwith 737s, Air Europe said its three

> > The conference was set up some time ago, but recent disasters will figure largely on the agenda.

ed on four aircraft out of 13 covered • The marked growth in UK air by the CAA's directive, but it was travel earlier this summer was conhoped there would be no delays or tinued in July, with the British Air-ports Authority's seven airports, in-British Midland and Dan-Air, uscluding Heathrow, London, handling over 5.7m passengers, a rise of 5.1 per cent over July last year. For the 12 months to end-July, placing the faulty combustion chambers on the four grounded air-craft, it would also check the other the gain over the previous year was 9.1 per cent, to a total of nearly 52m. 32 Boeing 737s in its fleet not covered by the CAA directive, as a

Heathrow handled 7.4 per cent matter of prudence.

The International Air Passengers' Association, a private body which caters for air travellers' interests, said in Amsterdam that the cent more at 1.83m.

For the 12 months to end-July, Heathrow's total amounted to 30.8m industry should pay much more at-tention to such safety matters as non-toxic seat materials, improved passengers, a gain of 10.4 per cent, with Gatwick handling 14.44m, a gain of 8.1 per cent.

GOLDMAN SACHS, one of the ally through terminals — on non-most important market makers in British equities. The others are internationally traded equities, will be ally through terminals — on non-most important market makers in British equities. The others are internationally traded equities, will be a Bache Securities, County Securities, E. F. Hutton, Shearson Lehvertain non-British stocks on the man and Vickers da Costa. Also London Stock Exchange Automated Quotation system, SEAQ International

Although the U.S. investment bank will join the restructured gilts (Government stocks) market next year as a primary dealer, today's move is its first step towards join-ing the established London commu-

whether it will apply to join the stock exchange after the market's Provisional Department of Trade figures for the second quarter show wish to be seen as a rebel.

for international arbitrage, said en-try into SEAQ International would help it to assess the direction of London market reforms and to have a voice in them.

number of non-stock exchange members now contributing prices at present by telephone, but eventuchange members.

SEAQ International, which has a

Goldman will show prices for Scandinavian, Dutch and Japanese

ceipts (ADRs) issued by UK compa-

### miners to register rule book

By Our Labour Staff

MINERS' LEADERS who intend MINERS' LEADERS who intend to establish a new union in the mining industry to rival the National Union of Mineworkers (NUM) plan to submit the rule book of the fledgling grouping to the Government's Certification Officer within the next few days.

All independent trade unions

All independent trade unions are listed and registered with the Certification Officer, who has to approve their rules before they

are given legal recognition.

The new-body will be called the Union of Democratic Minewerkers and plans initially to take in NUM's Nottinghamshire and South Derbyshire area and the Durham-based Colliery Trades Alliance and Allied Workers (CIAWA) a breakaway union which claims 1,500 members.

Establishment of the union is dependent on a ballot of all members in the three areas scheduled to be held in late September. A simple majority is needed to sanction the formation of the union.

Meanwhile, leaders of the breakaway union have drawn up contingency plans which anticipate a ballot victory. At a meeting last week at the Notts areas headquarters, it was agreed that Mr Ken Toon, at present general secretary of the NUM's South Derbyshire area, will act as pres-ident of the new union in an in-

Mr George Hunter, chairman of the CTAWA, will act as vice-president, and Mr Roy Lynk, general secretary of the Notts NUM will also serve as general secretary of the Union of Democratic Mineworkers, until a hal-lot of the full membership is held

next year.
Mr Trevor Bell, general secretary of Cosa, the white-collar section of the NUM, had earlier been offered - but refused - the general secretary's post in the

new union grouping.

He said yesterday that he was approached by intermediaries and told that a figure of his stature within the NUM could boost the standing of the breakaway

body.

Mir Bell is known to be opposed to the leadership of Mr Ar-thur Scargill, the NUM presi-dent, but he is also opposed to a split in the NUM and will today stand out against pressure within Cosa for a breakaway when the section's general council meets in Derby.

The structure of the new union is designed to allow individuals, pits and areas to join with rela-tive case case the body is estab-lished. The only full time post is that of general secretary, who will be elected for a five year

### Breakaway Work gets under way on prospectuses for docks privatisation

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE DEFENCE Ministry's con- in no doubt as to the opposition of troversial plans to privatise the management of the Royal Dockyards inched forward yesterday with the announcement that Touche Ross & Co. the management consultants, have been appointed to draw up a prospectus of the yards for use by interested

According to officials, the pros-pectus should be ready in about two months. Interested companies may be asked to make preliminary visits to the yards in early October, but visits designed to elicit more detailed information are unlikely to take place until November or December several weeks behind the Government's tentative schedules

set last July.

The trades unious involved in the dockyards yesterday pledged their continuing opposition to the Government's privatisation plans. A working party composed of representatives from both industrial and non-industrial unions of the 20,000 strong workforce has called for protest and demonstrations to greet consultants employed to value the ers or agents'

Private companies 'must be left detailed negotiations possible. assets of the yards' as well as the 'arrival of any commercial manag-

AN APPEAL for greater ownership

of British companies by other in-dustrial companies and banks com-mitted to industry and leas by City

of London institutions interested mainly in guaranteed returns was made by Dr Cyril Hilsum, chief

scientist of GEC, at the annual con-

ference of the British Association

for the Advancement of Science at Strathclyde University, Glasgow,

yesterday.

Dr. Hilsum said that in Japan

pension funds, insurance compa-

nies and unit trusts have a 20 per

cent stake in Japanese industrial companies compared with 58 per

cent in British companies.

Banks and industrial companies

own about 44 per cent of the shares

in Japanese companies, compared

Individuals held almost the same

proportion in each country - 27 per cent in Japan and 28 per cent in

Dr Hilsum chided the Financial

Times specifically for its published

criticisms of GECs alleged "cash mountain," illustrating that in rela-

tion to its international competitors

GEC was neither a particularly

large nor a cash rich company. It

ranked only eighth in sales among the world's leading electronics firms, with less than half the turn-

over of Siemens or Philips.

with only 5 per cent in Britain.

Scientist appeals on

### Decline in company liquidity is halted

THE CASH position of large indus trial and commercial companies in Britain improved in the second privatisation plans, according to Mr Paul Toon, negotiator for the Insti-tute of Professional Civil Servants quarter of this year, reversing the downward trend seen sinds the antumn of 1983, according to the latest official survey, Philip Stephens and a leading opponent of the

The survey, published today by the Department of Trade and Industry, shows that the net current assets of big companies rose by £1.2bn in the three months to June.

The net position measures the sets such as bank deposits and government securities held by companies minus liabilities due for settle

ment within 12 months. At the end of the second quarter the companies covered by the surheld current assets worth £20 Zhn, while their habilities amounted to £20.6bn. That left them with a liquidity ratio (total current liabilities) of 98 per cent.

The ratio had previously fallen from a high of 120 per cent in mid-1983 to 92 per cent in the first three months of this year, despite the strong rise in corporate profits over

the same period. The apparent contradiction can be explained in that much of the extra profits have gone in investment, takeovers and restocking, while the

acquisition of long-term assets does, not show up in the survey. The department's figures, which cover all companies with more than fizm in capital employed in 1982, also highlight the diverging cash-position of the manufacturing and

non-manufacturing sectors.
The liquidity ratio of manufacturing companies fell to 66 per cent at the end of the second quarter, while that of the non-manufacturing sec-tor – including the oil and service industries – rose to 149 per cent, the highest since 1979.

II ENGINEERING output continned to increase in the second quar-ter of this year, with a 1.5 per cent increase over the first quarter. Mechanical engineering outperformed electrical and instrument engineering, with an increase of 2.5 per cant, compared with the latter sector's in-

crease of 1 per cent.

A total of 16 of the 25 mechanical engineering industries showed in-creases in output. The boiler and process plant fabrication industries showed a 3 per cent higher output. while other mechanical, marine and precision engineering raised output by 6 per cent.

. The largest fall in output in the second quarter was in the printing and bookbinding machinery indus try, where output fell by 19 per cent. compared with the first quarter. Output in the chemical and related industries plant sector fell by 12 per

I AUSTIN ROVER BL's subsid-Dr Hilsum stressed the importiary, the last of Britain's hig three car is groups to announce price ind to coincide August peak sales period.

Most university scientists and

In the hope of promoting a last ... minute rush to its dealers during the last weekend in August - a month already heading for near-record total sales of perhaps 350,000 - Austin Rover said its car prices would go up by an average of 2.65 per cent on Sunday.

Austin Rover is still keeping up the competitive pressure because its price rise was below those recently announced by Ford - an average of 3.1 per cent - and General Motors-Vauxhall, 3.4 per cent. [] COMPULSORY auditing require-

should be scrapped, the Institute of Directors has recommended. Shareholders in small private companies should be allowed to decide for themselves if they need to prepare: annual accounts or have them audited, the IoD said in its response to a consultative paper issued by the Department of Trade and Industry on Accounting and Auditing Requirements for Small Firms.

agreed to become the majority shareholder in Deeside Titanium. after the acquisition of the shares previously held by Billiton UK, a sholly owned subsidiary of Royal Dutch Shell.

ules in Europe and was built to meet the specialist requirements of Rolls-Royce and IMI Titanium. Rolls-Royce declined to say how much it paid for the shares. □ NET overseas earnings of the British film and television indusrecessive year of increase.

Earnings totalled £101m in 1983 and only £41 in 1981. Almost all of the increase was earned by the film industry according to latest Department of Trade and Industry statistics. Film companies' net earnings rose by 33 per cent between 1963 and 1984 while those of television

of an increased supply of television knowledged to be fundamentally "The public interest would not be



the workforce" to the government's

Mr Michael Heseltine, Defence

Secretary, announced on July 24

dockyards of Rosyth (Scotland) and

Devopport (West of England) would

be contracted out to private enter-

The yards have an annual turn-

over of about £400m from refitting

all the Royal Navy's ships, from the Polaris nuclear submarines to minehunters. The Government will

retain ownership of the fixed assets of the yards, but will lease their

management to commercial compa-nies for periods of five years or

Mr Heseltine told parliament in

July that Babcock International Balfour Beatty, Costain, Piessey,

STC and the Weir Group were among the companies which had shown an interest in the dockyards.

prise from April 1987.

Dr Hilsum: more commitment to industry.....

he called the Himalayas of Japanese industry.
But if Britain had failed to find a

good way of linking its universities and industries in a common objec-tive to impovate, so had Japan, "where industry ignores the uni-versities in applied science, and the "The average Japanese company not only has most of its shares in the bands of committed organisa the hands of committed organisa-tions, but has a higher fraction of the company owned by material and goods suppliers, who are more interested in doing business than drawing dividends, Dr. Hilsum universities largely ignore basic

ance of market research in innovamanagers in large firms wanted to know in advance whether a new invention would command a large also those who manage our finanmarket, or a new process would in

crease an existing market. many research workers in industry would assume that market research could be undertaken only by people paid to do it. "You would be better advised to do it yourself," he said. especially if the product was radi-

especially it the product was rau-cally new and required imagination in predicting potential uses.

Dr Hilsum also emphasised the crucial importance of finding a zealous champion - an intrapreneur, as he called him - who would bring toneeded to drive an innovation to

ments for smaller companies

D ROLLS-ROYCE, the UK state owned aero engine maker the Government wants to privatise, has

The Deeside Titznium plant is the only producer of titanin

companies fell from Elm to Elm. I DIESEL cars have been given a

vote of confidence by the latest is-sue of Which?, the Consumers' Association magazine. In a special report on diesel cara the magazine says: If you think

diesel cars are slow, noisy and smelly, think again. It points out that in nearly all tests, diesel cars were found to be "as civilised as their petrol equivalents and can make economic sense for

### tourism from U.S. By Arthur Sandles

BRITAIN's dependence on the U.S. market for the country's present boom in incoming tourism has been shown yet again by the latest offi-

These show a 14 per cent increase compared with the same month last year. While the number of visitors from the U.S. surged, that from the Western European countries showed a less impressive rise and arrivals from other parts of the world – including Japan – fell.

that 4m visitors came to the UK, which was 13 per cent more than in the same quarter of 1984. North American traffic rose by 40 per Over the first six months, traffic

was up by 11 per cent, with the U.S. proportion of this up by 36 per cent. The boom in traffic from the U.S. has led to the UK being in surplus on its tourism account in the first six months of this year. In the first half of 1985, the travel account

the sluggishness in the market for

Britons travelling abroad. The figures suggest that the sixmonth total was 8.8m, 4 per cent less than a year earlier, with ex-penditure rising by 6 per cent to

much poorer figures.

July and August are the peak of the EEF. months for both inbound and outbound traffic.

There is some conflict in the official figures and reports from other low the CSEU-EEF rate.

### Goldman moves into equities community

nity in equities. Goldman has not yet said

structure is radically altered in the so-called "Big Bang" next year, but is keen to stress that it does not Mr Tony Rebello, vice president

Its admission brings to six the

showing prices are 10 international dealerships formed by existing ex-

waiting list of applicants, was estab-lished in June as a pilot scheme ahead of introduction of the full antomated system for domestic equities next year. Participants in the market can act as both principals and agents, as will be allowed fully in the UK next year when the "single capacity" market making system is abolished.

stocks on the exchange's Topic screens, and may add other Euro-pean continental and Asian coun-tries later. Its London staff do not at present make markets in U.S. equities.

Goldman is one of the biggest traders in American Depositary Re-

### payments to be calculated on the basis of pay rates set by individual

Mr Ferry said the claim covered a

companies. Company pay scales are usually substantially above - by £10-£30 a week, according to Mr

excluded because they were being that the adult rate is paid at 18 in 65 discussed by the EEF and the CSEU in a separate negotiating

### halt of 1985, the travel account showed a surplus of 1986, the travel account showed a surplus of 1986, compared with a deficit of 1245m in the Pay claim for 1m workers submitted to use the main theme of the conference — "concerns not just the scientists and the industrialists, but

Another factor in this surplus is BY DAVID THOMAS, LABOUR STAFF

THE ENGINEERING unions have submitted a four-point pay claim, including a demand for a substantial pay rise, to the Engineering

Employers' Federation (EEF).
The national minimum rate agreed between the Confederation picked up during the year. The Unions (CSEU) and the EEF directfirst-quarter figures were showing by determines the pay of 1m workers in the 5,000 member companies

Indirectly, it affects the pay of a further 750,000 workers employed by companies which normally fol-The unions have not yet put a fig-

ure to their claim for a substantial rise, but Mr Alec Ferry, general secretary of the CSEU, said yesterday that engineering workers' pay rise had fallen behind the rate of inflation. He would, therefore, be look. Ferry - the minimum set by ing for an increase "above 6-7 per national negotiations.

The second part of the claim is for the adult rate to be paid to worktrial Relations Services, showed per cent of negotiating groups. The third demand is for overtime committee.

for the adult rate to be paid to workers at 18, rather than at the present Normally, he said, the claim would age of 20. A recent survey by the in- also have covered working hours dependent pay review body, Indus- and holidays, but these had been

He produced a cartoon of "cash mountains' showing how GFC was dwarfed in Europe by Siemens' reserves, while Europe and the U.S. were both overshadowed by what

### Ray Snoddy reports on the ITV submission to the Peacock committee

### Advertising on BBC opposed

taking advertising would be the re-gional system of independent tele-vision, the ITV companies argue in their submission to the Peacock committee, which is examining ways of financing the BBC.

demonstrated that there was not sufficient extra advertising revenue tion to financing the BBC.

regional system of independent equivocally their belief that the litelevision is no longer a profitable cence fee is the best means of fund-

The Itea submission is one of the cent. crucial documents for the Peacock committee, set up in March by the sure on ITV to provide audiences of Government to look at the advanguaranteed size and to build viewtages and disadvantages of alternatives to the licence fee, which costs familiar" shows that have already

The Newspaper Society, in its own evidence to the Pea cock committee, opposes advertising on the BBC which it says could lead to heavy losses of revenue for other

The society, which represents 267 members publishing over 1,200 local and regional titles, says that the lost revenue could lead to the closure of some paid-for Mr Robbie Thomas, the president, said that if for political

reasons advertising on the BBC was thought necessary,

then the society wanted it to be limited to four minutes a

It would also pose a serious threat to independent local radio and be damaging to various sections of the press.

attract a premium of at least 20 per There would also be strong pres-

The Itca case includes three com missioned pieces of research.

Brown Shipley, the merchant bank, studied the likely effects of BBC advertising on ITV companies. The bank found that even limited advertising on the BBC would put the smaller companies into loss and

Professor Harry Henry, professor of marketing and media policy at the independent university of Buck-ingham, studied the probable result break new ground, what was ac-

an advertiser decides to switch money into television, be is increasing the demand for an existing sup-ply of television audience which "In conditions of inflexible sup-

ply, and particularly this one, the result of increased competitive activity will be higher prices, not lower ones," he says. Professor Alan Budd, professor of economics at the London Business

School, suggests that the high rate of television advertising growth that prevailed until the autumn 1984 decline is unlikely to be continued. He considers that advertising on the BBC would reduce ITV revenue and lower standards. The Itca submission proposes that licence fee payments should be made more frequently to reduce the shock to the consumer of a single

annual payment.

The ITV companies would also like to see decisions on licence fee increases distanced from the political arena by giving the responsibili-ty to an independent non-political line concludes that, as British

sound should be preserved.

### "What's special about these Danish companies?"

### They are all regular readers of the

For further information about subscription rates in Scandinavia, please contact Mr. Ejvind Pedersen in Copenhagen:

01-13 44 41

ABN Bank Copenhagen Branch: Assurander-Societetet, Berlingske Tidende, Bluthen Savings Bank, Boliden, Buch+Deichmann, Danish Steel Works Ltd., Danish Telecom International A/S, Danish Telecom International A/S, Danish Telecom International A/S, Danish Telecom International A/S, Danish Telecom ApS, East Aslatic Co. Ltd. (A/S Det Ostasiatiske Kompagni), A/S Elizabeth Arden, Ess-Food, F. L. Smidth & Co. A/S, Fortaget Management A/S, Frisko Sol Is A/S, Ginge Brand & Elektronisk A/S, Grundles International A/S, Halder Topsee A/S, Hellerup Bank A/S, Henriques Bank Aktieselskah, Kommunedata, Midtbank, A/S Niro Abunizer, Horsk Hydro Danmark a.s. Nykredit, Price Waterhouse, Privathanken A/S, Skandinaviek Tobakskompagni, Statsanstalten for Livsforsikring, The Jutland Technological Institute, Aktieselskabet Varde Bank.

### FINANCIAL TIMES • European Edition

One suggestion is that the BBC, at present mostly financed by a licence fee, should accept advertising.
Mr David Plowright, managing director of Granada Television and chairman of the Independent Tele vision Companies Association (It-ca), said yesterday its evidence

to make any significant contribu-"If there are any advertisements on the BBC the money will come been called upon to compete from independent television," he against each other for the same said. If the money comes from us, source of funding. even at a level of £150m a year, the

mergers between regional compa- it," the submission argues. nies and the concentration of independent television in London and a that advertising on the BBC would few other large cities.

Itea argues that the key factor underlying the diversity and quality of British broadcasting is the fact that ITV and the BBC have not

ing the BBC. "If a better one is The result, Itca believes, would be available, we have not come across The sales directors of Itca argue

The 16 ITV companies state un-

ing figures by relying on "safe and demonstrated their popularity.

threaten the future of others.

Prof Henry concludes that advertisers would in general spend the well served by pulling up roots same amount as now, but advertis which are demonstrably healthy ing rates would tend to rise rather and productive, Itea argues.

girl-mole, perhaps (9)

The Baron, 6.30 News, 6.40 Appeal, 1.30 Farming Outlook, 2.30 Film: Scotsport, 5.00 Wild Hentage, 5.20 Hert, 17.45 That's Hollywood, 12.15 am Challe (S), 3.00-4.00 Glorie Handford 12.00-12.15 em News; Weather, 12.00-12.15 em News; Weather, 12.00-12.15 em News; Weather, 12.00-12.15 em Shipping Forecast, 1.50 Gelf Company.

### MANAGEMENT

### Ford seeks to exploit a W. German image

Kenneth Gooding explains the U.S. car maker's import strategy

AN AMBITIOUS plan by Ford AN AMBITIOUS PIAN by Ford to sell in North America an annual 100,000 cars built in West Germany bas got off to a ragged start. Potential new customers, who would have boosted Ford's market share and needtability are simply not ooosted Ford's market share and profitability, are simply not behaving as market research suggested they would. Thus, the company will sell only 13,000 cars in the first year instead of the targeted 20,000.

company \*
liquidity
is halted

Nevertheless. Ford remains confident that by 1990 It will achieve its target and establish itself as the leading importer from Europe of luxury cars—the sector which is the fastest growing part of the U.S. car market.

project.

It gives extra work for Ford facilities in Belgium, Brazil, France and West Germany. At the same time it provides a vital element in a programme designed to strengthen the group's up-market Lincoln-Mercury division in North America on which the Ford group is relying heavily for future improvements in sales and earnings.

In the States Ford is emphasising the German origins of the Merkur range— German cars are perceived by American buyers to be high quality, high performance, safe vehicles, and a good investment

The Sierra's designers knew from the outset that, although it was to be a car primarily for it would also be sold in North America, Harold "Red" Poling, Ford's president, goes so far network — it would have been as to suggest it is really the first Ford product designed for jected sales volumes would not marketing in the U.S. as well have warranted the necessary as its original markets in Europe. "If you don't design a car from the start to meet the regulatory requirements in car dealership in many U.S. towns). Neither was it deemed

called the XR4Ti and is heavily dealers plus another 1,985 who based on the Sierra XR4. dealers plus another 1,985 who karmann, an independent company hased at Osnabruck, west Germany, was chosen to assembla the Merkur model launched in the U.S. in January—the KR4Tl. Based heavily on the Sierra XR4, it uses parts supplied from Ford's Sierra factory at Genk in Belgium as well as those Karmann produces itself. Transmissions are from Ford'a plant in Bordeaur, France, and a turbo-charged 2.3 litte V6 engine, designed by Ford of Germany, is produced by Ford of Brazil.

the sector which is the fastest growing part of the U.S. car market.

The model it is importing is the Merkur, a range based on cars designed by Ford of Europe: the Sierra and the Scorplo-Granada. And there can be few more vivid examples of the way Ford today is harnessing and co-ordinating its worldwide resources than the Merkur project.

It gives extra work for Ford facilities in Belgium. Brazil.

There was considerable debate at Ford's headquarters in Dearborn in the U.S. about how the European cars should be marketed. A great deal was corple-Granada. And there can be few more vivid examples of take That sector of the U.S. car market consisting of lumny cars imported from Europe acems to be recession-proof. Sales which in 1977 were only stated in the U.S., rose steadily and steeply through the worst post-war signing in the car marpost-war simp in the car market to 175,000 in 1980 or 2 per cent of the total.

#### Network

With overall U.S. car demand with overail U.S. car demand recovering and the added attraction of the high value of the U.S. dollar, the Europeans boosted sales to ever 400,000 last year at prices between \$15,000 and \$60,000 per car. In 1986, among the successful European companies, Volvo expects to sell more than 100,000 cars. Audi and Mercedes about 85,000 each. RMW. \$0,000. and \$3ab each, BMW, 80,000, and Saab

as its original markets in investment by dealers (it can cost over \$2m to set up a new they had never dealt with a regulatory requirements in all of the countries you'd like to sell it in, you get into big, expensive problems."

investment by dealers (it can would meet a type of customer they had never dealt with before. They attended meetings at six race tracks around the U.S. where drivers from the European cars to those offered

The imports, it was decided, should go only to those Lincoln dealers which had already proved their worth in terms of giving good service to customers and were willing to invest in high quality facilities and staff training for the European cars. Tom Wagner, a Ford vice-

president, recently appointed general manager of the Lincoln-Mercury division, points out: "It gave us a chance to send a clear signal to the whole Lincoln-Mercury franchise that it was no longer business as usual. It showed them we expect certain standards." The 772 dealers given the franchise to sell the Merkur XR4Ti will not even necessarily get the second in the range, a version of the Scorpio, known in Britain as the Granada. Nothing caused the U.S. Ford

executives more heart-searching than finding a suitable name for than finding a suitable name for the European range. Eventually Merkur, the German word for Mercury, was chosen but it was by no means universally welcomed within Ford, and brought with it the added com-pilication that Americans seem mable to pronounce the word correctly. Therefore, as part of the promotional expenditure, Ford has issued "a pronunciatioo guide to European auto-mobiles" which sets out to show it is not the only company sell-

it is not the only company selling a European car with n strange sounding name.

The guide contains, for example, information that the Germans pronounce Mercedes as "Mare-tsay-dess" and BMW is "Bay-enun-vay." The guide is aimed primarily at radio and TV remarters to make sure they TV reporters to make sure they 38,000.

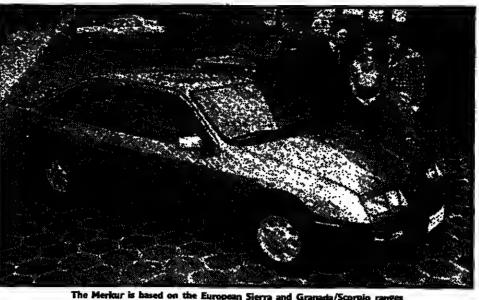
Ford studied various ways of putting its European range on the North American market and first rejected the idea of setting up an entirely separate dealer network — it woud have been Ford's third—because the programs.

TV reporters to make sure they prominent Merkur correctly—that is "Mare-coor." Even so some of Ford's to executives still get it wrong. The name is prominently displayed on the ovoid badge which adorns the cars, together with the inscription "Ford Werke, Köln. Germany." Germany."

There was also a need to educate the Lincoln dealers who expensive problems."

European cars to those offered performance driving put the would attract not only buyers

The first Merkur was by the Lincoln-Mercury dealers Merkur XR4Ti through its of European cars but also those launched in January and is — there are 842 independent paces. Dealers and their sales of sporty Japanese and Ameri-



people also had the chance to drive the cars and to compare them on the track with the Audi coupe GT, BMW S18i and Sast 900 turbo. They also watched presentatious about the competing models and listened as David Davis, editor of Carand Driver, a magazine for driving authusiasts, described to them the territory they were

to them the territory they were about to invade. In spite of the careful pre-paration, the Merkur launch has been dogged with difficulties. The seven week atrike by West German metal workers early last year caused a two-mooth dalay to the U.S. launch. This then weakened the impact of rave reviews for the car in the "buff" magazines, which apepared at the tima when the Merkur should have been intro-

Ford's early market research showed most American custo-mers for models competing with the Merkur preferred fairly spartan interiors and five speed manual transmissions in speed manual transmissions in their cars. However, Merkur customers so far show a massive preference for the optional leather upholstery, electric sun roof and automatic transmis-sion rather than ordering tha

are limited and can be pro-vided for a maximum of only half the planned output. So Kannann's assembly line has been cut from two shifts to one shift, working, while Ford attempts to get supply and demand back into balance.

But supplies of these items

can modals who predominantly prefer automatic transmissions them on the track with the undicoupe GT. BMW \$18i and sab 900 turbo. They also arched presentations about the ompeting models and listened 5 David Davis, editor of Car and Driver, a magazine for riving anthusiasts, described of them the territory they were bout to invade.

In spite of the careful presentation, the Merkur leunch has

Dramatic changes have been made to the original U.S. specification of the Scorpio as a re-sult of the lesson learned and it will be "much more American in style" when it goes on sale next antumn. The arrival of Scorpio should boost Merkur sales to 30,000 in 1986 (including 9,000 to 10,000 Scorpios).

#### Income

Customers are even more well-heeled than the market well-heeled than the market research suggested. The typical Merkur customer was expected to be \$3 years old with an income of \$42,000 a year. Sixty per cent would be graduates, 68 per cent males. In practice, while age, education and sex are running true to form the average annual income of the Merkur buyer is \$65,000.

While it would be a tall order to persuade a customer for a German, car to switch to a Lincoln, Wagner bopes be might like what he sees and choose

range offered by Lincolo Mercury (including the Merkurs) will be exclusive and not Fords with different badges on them. Wagner suggests that by 1990 Lincoln Mercury sales will rise from about 700,000 a year to 800,000 and that "850,000 is within touch."

Much depends on whether 100,000 is the upper limit for the Merkur range—which will be expanded to include a third model based on a version of the Sierra.

Wagner admits most Ameri-

Wagner admits most Americans still don't have any idea what a Merkur is. To redress this, advertising is being boosted considerably and the boosted considerably and the cars will be taken to race tracks in 24 key markets and potential customers invited to drive them. "This should produce a big response and create tremendous word-of-mouth reaction," Wagner premiums."

ner predicts.

He sdds: "I feel very good about the Merkur. I am a little disappointed we didn't have a faster start. But sales are mov-Lincoln, Wagner bopes be might like what he sees and choose Lincoln as a second car. "We significant. They love the car have certainly raised the level so they will sell it enthusiastically. I am sure it will do magnificent things for the Lincoln Marcury is." What the research failed to Lincoln Mercury is,"

establish was that the Merkur Most important is that would attract not only buyers of European cars but also those of sporty Japanese and Ameri-

### Workplace blood pressure tests

BY IAN HAMILTON FAZEY

sphygmomanometers in fac-tories and offices.

A sphygmomanometer is the inflatable cuff and attechmants used by doctors or nurses to measure blood pressure—except that some modern ones do not have to be operated by it professionals.

Electronics have ensured that stethoscopes and columns of mercury are no longer needed. A lay person can use an anto-matic geuge to take his or her-own blood pressure without assistance and in less than a

Russell says that such devices are becoming increasingly evident in U.S. companies. They enable the early identification of high blood pressure, one of the principal risk factors behind strokes.

where he is a senior comment, physician. The hospital is Britain's leading centre in the field and pioceered many of the diagnostic tests and procedures now commonplace all

over the world.

The field is one where prevention is infinitely better than cure because one-third of the 100,000 "new" stroke victims each year die, if not immediately then up to 12 months later, without leaving bospital. The statistics show that strokes are the third commonest cause

of death in Britain.
The problem is not just medical but social. Controlling lifestyle, stress, weight and diet are important in lowering risk. And the risk is highest in people with high blood pres-sure, high levels of blood cholestrol, and e family history of cardiovascular illness. These risk factors are the

These risk racious are me same as for heart disease and Russell thinks that surviving stroke victims who do not modify their lifestyles may well monly their litestyles may well suffer a heart attack later. He says that the self - operated workplace sphygmomanometer would be the quicket way of screening out those who might need preventive treatment and courselling.

counselling.

Strokes may be caused by the rupture of blood vessels in the brain or by their blockage.

The former, known to our fore-

DR RALPH RUSS RUSSELL fathers as apoplery, used to be thinks that companies could the more common, as victims take an important lead in preventive medicine by putting high blood pressure.

The second type, a hlockage caused by cerebral thrombosis, is associated with hardened, narrow arteries. Since arteries get narrower with age and nache live languages, increase. people live longer now, increas-ingly more strokes are due to

But many people who suffer the "blockage" type strokes have "warnings." These may take the form of e tingling or lassitude down one side of the body or difficulty in speaking.
Russell says that ignoring them may well prove fetal. This is why be thinks wider knowledge—and easy access to sphygmomanometers — could save incalculable social and personal consequences let personal consequences, let alone the obvious monetary

His hospital has now launched Strokes and their aftermath a campaign to press the message are what Russell specialises in on industry and commerce in et the National Hospital for particular, because most people pervous Disorders, in London, will find it easiest and convenient to take their own blood pressure every so oftan at

But what is "high" blood pressure? In any cycle of heartbeats, blood pressure is highest when the heart is con-tracting, forcing blood into the arteries, and lowest when it is

The bighest pressure, which is called the systolic, corresponds to the pressure needed to close off the main artery in the arm by pumping up the sphygmomanometer cuff with air. The cuff is then let down elowly. Blood flow resumes, but turbulently, a condition detected by an automatic measuring device in modern epparatus. When the turbulence stops, that corresponds to the blood pres-

sure when the beart is relaxed,
If the two readings were, say,
120 and 70, this would be
expressed as 120/70 and pronounced "120 over 70." About 140/90 is geoerally regarded as the upper eod of "normal." However, Russell says that anyone whose blood pressure is consistently more than 10 points up on 140/90—and that applies to either valoe—should seek advice. He would put a notice saying this on the workplace sphymomanometer. more moderate lifestyle, with a balanced diet, reasonable exercise, and less weight might be all that is needed.

### **TECHNOLOGY**

### Mapping the factory of the future | Portable computers still standing CAD/CAM

Geoffrey Charlish on a move seen as the biggest silicon event in years

INTEL THE U.S.-based silicon chip maker that invented the microprocessor in 1972, bas anoounced printed circuit board systems using existing chips that will allow the "factory of the future" to be realised, based on the increasingly significant MAP initiative led by General

. .. . .

. . . . . .

-4 -

During next year, Intel expects to introduce very large scala integrated circuits (VLSI) that will put most of the electronics in the new boards on to a single chip, encouraging further industrial use and cutting the cost. Some observers believe the introduction of such chips will be the most import-ant "silicon event" since the

MAP, standing for "manufacturing automation protocol," is a communications software concept designed to allow robots, machina controllers, vision systems and other shop floor equipment, regardless of manu-facturer, to work together over a single cable. They can then operate in unison, using a common database (store of information ebout product and processes) for greater efficiency and manufacturing flexibility.

MAP, said to have the sup-port of nearly 200 companies in the U.S.. is likely to be well received in Europe, too, because it embraces the "open systems interconnect" (OSI) approach devised by the International Standards Organisation (ISO).

Standards Organisation (ISO).
OSI can be seen as the
"official" European approach
to interconnecting factory
equipment but it now seems
likely that U.S. compenies will
be the first to embrace it in
significant volume, largely
because of the influence GM
can bring to bear.



Godfrey Thomas: seeking the best way forward.

Even so, in Europe, ASEA, new industrial entomation market provide punding clocks, in hardware and software, to allow have expressed closed to it.

Signess, Unilever, Volvo and American market might be well all sevan levels to be implemented to provide punding clocks, in hardware and software, to allow all sevan levels to be implemented.

The company's immediate announcement is of a "board level " product called COMM-companies which have had just they make the provide punding clocks, in hardware and software, to allow mented.

The company's immediate announcement is of a "board level " product called COMM-companies which have had just they make the provide punding clocks, in hardware and software, to allow mented. they were prepared to make products.

Public reaction by the Euro-pean Commission's Esprit team has been sparse but an execu-tive who ettended the Heathrow meeting in March described MAP as an interesting example of e user pressure

At an Intel gathering in France recently, CAP, a major UK software systems bouse, came down strongly in favour.
Mr Godfrey Thomas, CAP's
manufacturing sector director,
suggested that MAP was "the
only way forward." One Intel
man suggested that if Europe
folial to exploit the opporfailed to exploit the oppor-tunities MAP offered it would be committing suicide in the

closed to it.

In the U.S., the powerful line-up of supporters includes companies which have had just the same factory communications problems as GM, including Boeing, Dupont, Ford, Kodak and McDonnel Douglas.

In addition, sensing a big potential market several U.S. n addrion, sensing a big potential market, several U.S. electronics companies have announced plans for MAP products. They include AT&T, Allen Bradley, DEC, GE (USA), Gould, Hewlett Packard and IBM. Like Intel, Motorola is planning silicon products for

Initially, GM started to develop MAP because it was proving impossible to cope whb the numerous proprietary combine the numerous proprietary combine the numerous proprietary combined to specific destinations on the network), routing the packets and delivering complete mesmunications standards that were springing up throughout its hundreds of plants. In one case, some 17 different systems were

in use. They could not com-municate unless special bridging software was written, and they produced a mass of cable and serious maintenance problems.

"IF LAST year's forecasts had been correct," a new report opens acerbically, "we would be knee-deep in portable com-puters by now."

Not surprisingly, with important plants in Europe, GM decided on its own standard, but one which would embrace tha ideas of the ISO, based on the so-called "seven layer"

The ISO-7 model attempts a complete definition of all the requirements of data com-munication. At the lower levels, relatively straightforward matters of physical communica-tion over wires is dealt with. At the higher levels, the format of the data Itself is covered, with beavier emphasis on software.

Intel, for its part, is aiming to provide building blocks, in hardware and software, to allow

specifications for industrial local area networks. It is aimed at original equipment makers (OEMs) supplying industrial automation products and will allow factory equipment from machining cell controllers to guided vehicle systems to be linked over a network.

The product meets the requirements of the first four ISO layers, which deal respectively with moving digital "bits," transmitting "packets" of data (assemblies of bits sent and delivering complete mes sages reliably. A separate software product

is being developed for COMM-Engine in conjunction with Westinghouse (an important Intel customer) to meet the specifications for the three upper levels of the ISO model. These deal with supporting user-to-user communication, making format conversions where necessary, and providing overall netw ork services like data file transfers.

Meanwhile, GM is practising what it preaches. Three major plants in Detroit and St Louis paints in Detroit aim St Loins are operating pilot MAP instal-lations and in 1986, five bus and truck plants will be equipped. But GM executive Patricia Amaranti, thinks MAP will really take off when systems begin to appear in VLSI form, probably within

### Professional

been the result of a combination of factors.

First, except at the very high end of the market, portable computers cannot be used as "full function" machines that is, as satisfactory alternatives to the desk-top model.

They are still simply lacking in power, in memory, and the size of their screens and their legibility leaves much to be desired.

ventional personal computers has been, in the U.S. at any rate, depressed over the past

There can be little doubt that there is a strong potential market in Europe?

. In Europe the picture is quite different. The Paris-based consultancy intelligent Electronics has published figures showing that the European PC market is still growing at n substantial pace.
It says: "IBM is still forging

ahead. Perhaps not at the heady 300 per cent growth it achieved in 1984, but still indicating an almost 100 per cent growth over the full year in 1985. Olivetti, which is rapidly establishing itself as the number two in the market, can also confidently look to very high growth patterns in the region of 100 per cent as well."

But the portable computer market is different. First, it is not one market, but two. The market for transportable computer market for transportable computer market.

market, but two. The market for transportable computers, dominated by the U.S. Compaq Corporation with a machine which can he carried comfortably in the boot of a car and which runs IBM software very effectively "More IBM compatible than IBM" as some have said.

Then there are the true port-ables or lap computers, machines which can comfortably be carried under the arm or in a briefcase.

and the same that the same of the same of

Personal Computing

BY ALAN CANE

One of the first of these machines was the UK-designed and built Husky which featured massive memory and a case designed to resist damage whether accidental or intentional. Husky computers have found a ready market in areas as different as the armed forces and the social services. The army uses them to calculate artillery dispositions; the social services to calculate mandatory payments. In one recent incident, hooli-gans vandalised a social ser-

vices office including e Husky computer. Its screen was smasted, the case kicked and jumped on, yet the memory chips retained their contents and the information was recovered unspecified. covered unspoiled.

There can be little doubt that

there is a strong potential mar-ket for portable personal computers in Europe. According to Intelligent Electronics,\* to the and of 1984 come 30,000 of the ill-fated Osborne 1 transportable computers bad bean shipped into Europe, compared with 20,000 Compaq's and 15.000 Kaypro's.

Nevertheless, the market has stubbornly refused to establish itself. Intelligent Electronies

comments: "No category of portable comonters has so far portable comonters has so far achieved significant sales levels despite heavy promotional and rublic relations hudgets.

Even the best selling Epson HX30 (one of the first small, light machines with n liquid crystal display of reasonable signs sold less than 40 000 in size) sold less than 40,000 in the whole of Europe since its introduction in 1982. It goes on: "The market is considerably smaller than has

been thought."
"There is much talk of the potential penetration of port-ables into insurance and other financial services companies for mancial services companies for mass usage by large sales forces—and of course, for travelling businessmen. These areas of opportunity seem, however to be difficult to penetrate. The chief reasons given for this state of efficiency as electrons of part. of affairs are shortage of soft-ware to stimulate demand and lack of real computing power. These seem to be excuses rather than real reasons.

The consultancy suggests that only in production control and engineering have there been any tangible successes and even then most orders have been on a test and evaluation basis with big quantities being very much the exception.

So what is likely to happen in portable computers? It looks as if 1985 and 1986 will be the high points for the transport-ables of the Compaq, IBM PPC, Kaypro, Olivetti M21 and Philips

variety.

After that dete, they will find it hard to compete with the smaller, lighter and higher powered computers now being developed by Hewlett Peckard, Data General and others.

The true portable computer market however for reachings.

market, however, for machines priced between \$1,000 and \$5,000 eeems set for strong and continued growth.
Intelligent Electronics com-

**6Beyond 1986** transportables will face tougher competition from smaller models?

ments: "Between now and 1988, the number of products available, decreasing prices, the larger screen size due to the advances made in flat screen technology and the better acceptance of communication faculties will all contribute to the volume increases forecast—240,000 machines in the \$2,000-\$5,000 bracket shipped into Europe in 1988."

It warns, bowever, that e market of significant size will market or significant size whitnot emerge until there are more
desktop computers actually on
manager's desks. It seems unlikely that high end portable
computers will be looked on as
alternatives to desktop PCs for
the next few years at least.

"The Evergent Market for \*The European Market for Portable Computers, Intelligent Electronics Paris. Tel: (1) 45 35 43 84.

The Professional personal

computer market is et a critical state in its development. Benjamin Rosen, chairman of Compag Computers is among the speakers now confirmed for the FT Third Professional Personal Computer Conference to be held in London on October 30 and 31. Other speakers include A. E. Santelli, IBM vice-presidant for Entry Systems, Europe, Vittori Levi of Ollvetti and Robb Wil-

EDITED BY ALAN CANE for designant
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### **Predictions** for image processing

THE MARKET for systems that acquire, process and display electronic images will treble in Europe to \$393m by 1989, according to a study by Frost and Sullivan, the U.S.

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Frost and Sullivan, the U.S. market research company.

Probably the best known use of image processing is in television for the creation of introductory graphics for programmes. These systems account for 40 per cent of the European market, and one company, Micro Consultants/Quantel has captured a third of the business.

The other main uses are

The other main uses are in industry (11 per cent) for in industry (11 per cent) for non-contact gauging, inspection and process menitoring, and medicine (10 per cent) for the digitisation and enhancement of X-ray pictures, tomography images and ultrasonic scans. The analysis of aerial and space pictures for mineral exploration, weather tracking and pictures for mineral explora-tion, weather tracking and agricultural purposes accounts for 9 per cent of sales. Image processing requires fast processing of large amounts of data and prices have been dropping with the availability of cheaper ran-dom access memory. Even so, 45 per cent of sales are

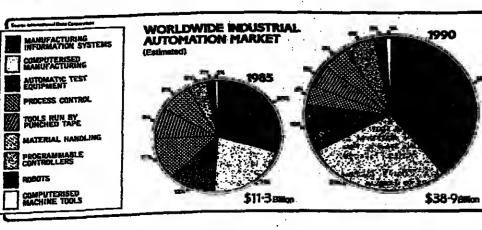
#### New role for an IBM

UNITED BUSINESS Systems of London is offering a U.S.-made system that turns a single IBM personal computer

so, 45 per cent of sales are of systems costing ever \$75,000.

single IBM personal computer into four workstations by adding three simple screen/keyboard units and appropriate software.

The three stations, which produce, it is claimed, a true multi-user environment with shared programs, files and printers, can be added for the price of one IBM XT machine. More about the system, called More about the system, called Anex Muiti-PC, on 01-250



# by for a delayed take-off

But as everyone knows, we are not. The failure of the portable personal computer market to take off in the manner predicted seems to have

Second, the market for con-

few months, so it is not sur-prising that the market for portables has followed suit.

#### NOTICE OF REDEMPTION

### Fuqua Overseas Finance N.V

NOTICE IS HEREBY GIVEN that, pursuant to Section 3.05 of the Indenture dated as of September 1, 1980 (the Indenture), among Fuqua Overseas Finance N.V., (the Company), Fuqua Industries, Inc. (the Guarantor) and Chemical Bank, as Trustee, (the Trustee), said Trustee has designated in accordance with Section 3.07 of said Indenture for mandatory redemption through operation of the Sinking Fund on September 16, 1985 (the Redemption Date), \$14,000,000 principal amount of the Company's Guaranteed Floating Rate Notes due 1987 (the Notes), at the redemption price of 100% of the principal amount thereof plus accrued interest to the Redemption Date.

The serial numbers of the Notes which have been selected for redemption pursuant to the Indenture are:

0615 0620 0624 On and after the Redemption Date the Notes designated above will become due and payable upon presentation and surrender thereof, with all coupons maturing subsequent to September 16, 1985 attached, either at the office of the Paying Agent, Chemical Bank, 180 Strand, London, WC2R 1ET, England or at the main offices of Chemical Bank in Frankfurt/Main, Paris, Zurich and New York or at the main office of Banque Generale du Luxembourg SA in Luxembourg or at the main office of Banque Bruxelles Lambert in Brussels.

Interest on the Notes so designated for redemption shall cease to accrue from and after the Redemption Date. All coupons maturing after said date which appertain to such Notes shall be void. Coupons maturing on September 16, 1985, and prior thereto, should be detached and surrendered

for payment in the usual manner. Following the aforementioned redemption, \$35,000,000 principal amount of Notes will remain outstanding.

girl-mole, perhaps (9)

Fuqua Overseas Finance N.V. By: Chemical Bank, Trustee

outpook, 230 Film; | Scottport, 5.00 Wild Hentige.
' starring James Mason Chips, 11.45 Reflections, 11.50

Helders of the Notes presenting Notes for redemption to tha New York paying agent will be required to comply with the Interest and Dividend Tax Compliance Act of 1983 on or

before the date of such presentation.

### THE ARTS

organ: Each

Brussels Orchestra, Bach Choir from Antwerp: Bach.

If these concerts are part of the 20th Festival Estival de Paris (3548496, 5624966, 11am-7pm, Sundays, ex-

NETHERLANDS

Amsterdam, Concertgebouw, Bersard Haitink conducting the Concertgebouw Orchestra. Bisst, Debussy, Beethoven (Wed). Renttal Hail: Cube Festival with Maarten Bon, piano, Frans Brüggen, recorder, Rien de; Réede, fluie, Robbie Zavery, guitar, the Netherlands Wind Ensemble and the Haphael Quartet (Mon, Tue). Lamehtime concert by the Fortunatus Ensemble (Wed). (118345). Amsterdam, Carre Theatre. Antologia de la Zarzuela, with 100 dancers, singers and musicians from Madrid (Tue, Wed). (225225).

(The Wed). (22522).
trecht, Muziekcentrum Vredenburg
and other locations. Festival of Old
Music, with the emphasis on early
polyphonic music, the Baroque, and
late 18th and early 19thershury

inte 18th and early 19th-century compositions for the fortegiano; Perticipants include Musica Antique of Cologne, the Talin's Scholars, the European Baroque Onchestra, the Netherlands Chamber Choir under Inn Koupman, Richard Burnett and Geoffrey Douglas Madge (fortipiano), and La Péniche Opera of Paris. Many other activities, including workshops, exhibitions and lectures. (All week). (34 1007).



#### Music

Singers conducted by Dennis Rus-sell Davies with Elama Barry, so-prand and Michael Collins, clarinet.

prano and Michael Collins, clarinet.
Ruggies, Bernard Bands, Aaron
Copland, Gershwin. Royal Albert
Hall (Mon). (589 2212).

Ity of Birmingham Symphony Orchestra conducted by Simon Rattle
with Jessye Norman, soprano and
Jon Vickera tenor. Haydn and Mahler. Royal Albert Hall (Free).

London Simfondeta and London
Simfonietta Yosice conducted by
David Atheritan Janucek, Weill,
Harrison Birtefisher, and Bartok.

Royal Albert Hall (Weils.

Royal Philiambank, Gerisestra conducted by Vicalonic, Ashkemary, pri-

### Opera and Ballet

undating of Rigoletto: A new cast takes the leads; Neil Howlett in the title role, David Rendall as Duke, Joan Rodgers as Gilda, con-ductor Noel Daviés. Also in the ductor .Noel: Drivies. Also in the same week: pre-premiere previews of the new Orpheus in the Underworld. Produced by David Pountney in Gerald Scarfe's designs, it seems certain to take a fresh and unpredictable view of the classic Offenbach operetta. (240 1066).

New York City Opera (NY State): The week features a series of five perfor-mances of the Merry Widow with Leigh Monro and Claudia Cum-mings sharing the role of Sonia, conducted by Imre Pallo in Ronald Beutley's problem has been accom-Bentley's production last seen in 1983. Lincoln Center (870 5580). meritan Bellet Theatre (Metropoli-tan Opera House): Mixed programmes in a short season manager. Ends Sept 15. Lincoln Center

Changing Times Tap Dance Company (Goodman); Kicking off the Good-man's 60th anniversary season is Jane Goldberg's jazz tap dance company, featuring their latest revue. Shoot Me: While I'm Happy.

or. Stantsoper: As 6 thank you Rolf Liebermann plans to transfer the opening performance of Othello to a cinema screen in the Hamburg

LONDON

Sweet Bird of Youth (Haymarket): Lauren Bacall elegantiy decadent as Tennessee Williams's doomed movie queen. Harold Finter's direction and Elleen Diss's evocative tessigns con-

tradict the play's lopeided reputa-tion and place the central tossle be-

tween the star and her gigoto (Mi-chael Beck) against a detailed can-vas of small town Southern venge-

vas or small town Southern venge-fulness by the sea (9309632). Neises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blake-

Theatre

Jumpers (Aldwych): Confident almost sober revival of Tom Stoppard's gifttering comedy of love, murder and linguistic mayhem among the logi-cal positivists, with Paul Eddington a more cartibound George Moore II than was Michael Hordern, Felicity.

more's brilliant direction of back-stage shenanigans on tour with a third-rate farce is a key factor.

third-rate farne is a lety factor. (836 8688).

Starlight Express (Apollo Victoria):
Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling actione on indiscriminate rushing around. Disneyland, Star Wars and Cats are all influences. Pastiche score nods towards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

On Your Toes (Palane): Rodgers and Hart's 1936 musical is a genuine tonic. American jazz dance collides with the Ballets Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchine ballet for Slaughter on Tenth Avenue. (421 6834).

let for Slaughter on Tenth Avenne. (437 6834).

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's tep dancing entravaganta has been rapturously received. American Clare Leach is a real find as Peggy Sawyer, and Margaret Courtenay has a field day (536 3108).

Me and My Girl (Adeiphil: Sleek, efficient and enjoyable revival of Britain's higgest war-time nusical hit with Robert Lindsay in the Lapino Lane role emerging as the best new

with Robert Lindsay in the Lupino
Lane role emerging as the best new
musical star since Michael Crawford. (836 7611).

The Government Inspector (Olivier):
Striking but unfusny revival with
under equipped TV comic Rik Mayall playing the poseur as 0 shricking
nose-picker. Richard Eyre's production for the NT lacks either comic
tension or true delivere but mit with tension or true delirium but, with John Gunter's imposing design of bureaucratic burst, the show has a sort of monumental starkness as well as nightmarish tedium. New translation by Adrian Mitchell

(928 2252).

Barnum (Victoria Palace): Michael
Crawford returns to London with his breathtaking performance as the circus impresario; adding one or two new tricks in a likeable mer-ingue of a musical. (8841317, credit

5.30 Hart. 11.45 Ther's Hollywood. 12.15 am | Challe (5). 2.00-4.00 Gloris Golf Company.

than was Michael Hordern, Felicity, Rendal delightful as his retired nusical comedy wife. Peter Wood directs. (6366404. credit cards 3796233).

Richard III (Barbican): Last year's Stratford-upon-Avon production with Antony Sher demonically exciting as Richard in the RSC revival by Bill Alexander. Plays in repertory with Roger Rees as Hamlet and Kenneth Branagh as Henry V. All worth seeing. (6288795, credit cards 6386891).

Pravda (Olivier): Entertaining epic

worth seeing. (622 8795, credit cards 633 8391).

Prayda (Olivier): Entertaining epic new play by David Hare and Howard Brenton for the National Theatra in which an unscrupulous South-African magnate acquires Britain's most prestigious newspaper. A Jonsonian satire on the grand scalewith an irreasifible derformance by Anthony Hopkins as the colontal who penetrates the Establishment while a nation dithers. (928 2232).

Breaking the Silence (Mermaid): Another RSC transfer, of Stephen Poliakoff's account of his family's emigration from post-Revolutionary Russia, Alan Howard succeeding Daniel Massey alongside Jenny Agutter, Ingeniously set in an Imperial railway carriage. (236 5568).

The Mysteries (Lyceum): The theatre of Henry Irving and Joe Loss restored for theatrical performance after 40 years. Bill Bryden's NT production in three parts is not to be missed, one of the great events of recent years. All three shows played on Saturdays for this limited run. (379 3055).

Guys and Dolls (Prince of Wales): The

on Saurous for this James Ann. (379 3055). Guys and Dolls (Prince of Wales): The 1982 National Theatre production has arrived in the West End, if anything improved by the new casting of Lulu as Miss Adelaide and the or 110h as Mins Adelaide and the notably well sung black Sky Masterson of Clarke Peters. Richard Eyre'a production and John Gunter's affectionately lavish designs complement this most joyful and literate of musicals, a fitting tribute to the recently deceased co-libratist. Abe Burrows (930 8881).

NEW YORK : . . .

Burrows (930 8681).

Cats (Winter Garden): Still a selicut, Trevor Nunn's production of T. S. Eliot's children's poetry set to tren-dy music is visually startling and choreographically feline, but classic only in the sense of a rather statid and consultant idea of these visually. and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the "De incommon of Broadway of Broadway in the "De incommon of Broadway in the Broadway in the

way in the '30s incorporates gems from the briginal film like Shuffle

Dina Wurzner, piano: One Hour with Schumann (Tue 6.30pm). Sorbonne, Amphithéâire Richelleu. Orchestre Français des Jeunes con-ducted by Emmanuel Krivine. Au-gustin Dumay, violin: Ligeti, Bartok, Franck (Tue 8.30pm). Salle Pieyel Plaza Porticada. Anademy of Saint-Martin-in-the-Fields, conducted by Kenneth Sali-to: Handel, Bach and Doorsk (Wed). (21 05 08).

a Helburg Orches

os, Jutia Geister, alto, Martin Rifet-mann, tenor, and Ernst Janko-witsch, Bach. Minoritenkirche: (635575) (Mon and Thurs). Chamber Music with Hans Martin Linde, recorder and Baroque Ger-man fluis, and Kontad Raguemic, harpeichord. Handel, Telemann, Soarlatti Minoritenkirche. (Tue). St. Pani's Cathedral, choir from New-Zeeland. Puntell, Byrd, Bruckhar, Britten. Karlskirche (Wed).

al: Peter Serkin recital: All-Bach programme Yo-Yo Ms. cello and Emanuel ano, Beethovan, Franck, (Wed), Pinchas Zitkermit; and viols with Marc Nellow, Schubert, Stravinsky, Brabins (Thur), Highland

TOKTO

en's Uni



Placido Domingo, this week at the Hamburg Staatsoper

Congress Centre, where an entre 3,000 fans will be able to watch it need of charge. It is blickly to be a star-studded evening, including. Placido Domingo, Margaret Price and Sherill Milnes. Further performances are La Bohene with Katia Ricciarelli and Giacomo Aragall and Ariadne auf Naxos; conducted by Ariadue auf Naxos; conducted by Ferdinand Leibier. Luigi Nono's rarely played Intoleranza closes the week. (351,151).

eriin, Deutsche Oper; Die Fleder-maus features Edda Moser and Ca-rol Malone. The Magic Flute has berg, Lacy Peacock and Ridiger Wohlers. Aida, sung in Italian, has Juha Varady in the title role and Ni-

Fliegende Holländer has Janis Mor-tin, and Martti, Talvela, Madame

Ricciarelli, Carreras, (Wed); Cavalle ria Rusticana and Pagliacci conduct ed by Fischer with Cotrubas, Doringo (Mon and Thur); Lohengei conducted by Stein with Gesser dorf, Bysanek-Gausmann, Voge Volksoper: Csardssfurstin; The Fied-ermans: Des Land des Lachelms; Vienna Blood. (5324/2657);

Off To Buffalo with the appropri-stely brash and leggy hoofing by a ately brash and leggy hoofing by a large chorus line. (877 9029). Brighten Beach Memotrs (46th Silpants of memories and jokes focuses on a Depression-era Jewish household where young Eugene falls awkwardly in love with his consin. (221 1211).

A Chang Line (Shubert) The longest

A Chorus Line (Shubert): The longest running musical ever in America. has not only supported Joseph Papp's Public Theater for eight.

Papp's Public Theater for eight
years but also undeated the musical
genre with its backstage story in
which the songs are used as auditions
rather than emotions.
(239 6200).

Sunday: in the Park with George
(Booth). Inspired by the Seurat
painting, Stephen Southeim fashious a musical with dots and dashes
of song that end too soon but work:
well with Tony Straiges's pretty set
and James Lapine's book which
changes gears in the second act
(239 6202).

La Cage aux Folles (Palace): With
some timeful Jerry Harman songs,
Harvey Fierstein's adaptation of the
French film manages, barely, to papture the feel of the sweet and filler
ious original between high-kicking
and gamty charus numbers.
(757 2620).

Touch Song Trilogy (Helen Hayes):
Harvey Fierstein's touching and
funny recollections as a drag queen
add up to the best histrionic Sarah,
Bernhardt role on Broadway today.
(9449450).

(9449450).

WASHINGTON .

Count of Monte Cristo (Eisenhower): The second production of Peter Sellers' new American National These tre company is the James O'Neill version of this swashbuckler. (254 3670);

TOKYO

umaku Puppet Theatre: From the National Bunraku Theatre in Osaka Nstional Bunraku Theatre in Osaka the troupe performs in Tokyo after a tour abroad (Bunraku la a smaller version and chose relation of Kabuki: puppets are half to two thirds life-size; many Kabuki plays were written for Bunraku. Puppets are moved round the stage by three handlers and the story is conveyed by narrators and musical accompaniment. Very powerful theatre form with a sincerity missing in others. The plays first performed in ers. The plays first performed in late 18th century at National Theatre (near major hotels). Good Entered in the century at National Theatre (near major hotels). Good Entered in the century at the cent güsh programme and carpinne commentary. (2657411).

Continued on Page 9

#### Cinema/Paul Taylor

### Perpetrating a patriotic myth

Rambo - First Blood Part II directed by George Pan Cosmatos

The Fruits of Passion directed by Shuji Terayama

The potent American myth of the MIAs—which holds that several thousand GIs listed as "missing in action" in South-East Asia may still be captive there, and which has thus far there, and which has thus far succoured three feature films—was seeded almost from the start by Hollywood. Quite whether Clint Eastwood and William Shather regarded their reported bankrolling of the mercenary exploits of Lientenset. nant-Colonel Bo Gritz, searching for POW labour camps in Laos in 1982, as a patriotic gesture or as potential development finance is unclear. But the most substantial return to date on this aspect of the film community's investment in post-Vietnam recuperation has most certainly been picked up by the backers of Ramba. A compensatory fiction for

compounded national embar-rassments in both the war and the Iranian bostage crisis,
Rambo contrives to be both
simplistic in its Action Man
edventurism and riven with intriguingly contradictory, crosscurrents of right wing ideology
in its re-labelling of heroes and
villains. If its basic thick-ear proficiency as an action movie alone hardly qualifies it for the "phenomenon" status it has been hyped towards by the promo merchants and the pop Press (successfully, if the company to the profit of the football. munal voice of the football terraces, already re-christeningseveral beefy favourites with the Rambo nickname, is anything to go by), at least the film's ability to raise reflex indignation about its fingerpointing politics lends it a valid spot in Controversy Corner.



Isabelle Illiers in "The Fruits of Passion"

in Nam. The mission, to locate a suspected POW camp, is nominally a reconnaissance sortic only, but Rambo's sole question—"Do we get to win this time?"—indicates just how much weight he (and the film) is, willing to pile on his muscular shoulders.

Half-expected betraval by the control of the property of of the

muscular shoulders.

Half-expected betrayal by the bureaucrats (Charles Napier fronting for the home-based baddies who sold out the seldiers and now balance the MIAs fate against an unpaid war reparations bill) prompts Rambo's righteous reversion to the role of armed interventionist avenger, and from then onwards the rudimentary plot development (capture, escape, retreat, return, rescue) takes a back seat to a corpse-count that escalates to obscenely absurd

in Nam. The mission, to locate self-preservational blood-lust,

Half-expected betrayal by the spot in Controversy Corner.

Where Uncommon Valour assembled: a dirty half-dozen veterans under Gene Hackman to bring the boys home from their bamboo-barred hell, and Missing In Action pairted Crack. Norris and Emmet Walsh fin its rather more tacky rescueintoduces the one-man army previously encountered in 1982's First Blood, and established there as a "pure fighting machine," resorting to trashing and uncomprehending and ungrateful America on behalf of all the spat-upon war vets.

Here, Sylvester Stallone's John Rambo is released from his own hard labour captivitys (irony, irony....) by his military mentor Trautman (Richard Crema) with a chance be redeem himself "back home"

Half-expected betrayal by the bureauxil by the bureauxil by the bureauxil by the bureauxil betray lidocies as Escape to Athem and idocies as Escape to Athem and the regula and propends little time on the inematic niceties. Amid the regula intervention in the role of armed intervention in the role of armed intervention in the role of armed intervention in the proliferating explosions and the regula intervention in the spatial prompts the one warrest the one impalements, and the near-retishing explosions and the regula intervention in the substance of the produces. Amid the result in the spatial propends (capture, escape, the burner of the brook killing machine played by Arnold Schwarzennegger in The Termination in the system and now balance the profile the machine intervention in the secape from the noise as Man-the-flunter, and the rear development (capture, escape the burner of the brook killing machine played by matos (he of such insiple idiocies as Escape to Athena and The Cassandra Crossina)

Kotcheff); while cinema-tographer Jack Cardiff, with the dublous genre classic The Mer-cenaries to his name as director. also bere remites with the ex tended family tree of Holly-wood's New Right.

Though we are unaccustomed to Sylvester Stallone appearing Though we are imaccustoment to Sylvester Stallone appearing in any movie which doesn't have roman numerels appended to its title, sequelitis is not an affliction so often encountered at the artier end of the movie-making spectrum. Even leaving aside its distant kinship to the Emmanuelle series, however. The Fruits of Passion emerges from the juncture of two ongoing sagas. Freely adapted by Shuji Terayama from Pauline Reage's Return to the Choteau, the follow through to her notorious novel The Story of O, it is also the most recant in a line of Franco-Japanese co-productions mounted by Anatole Dauman's Argos Flims, made in the profitable wake of Nagisa Oshima's Empire of the Senses and Empire of Passion.

A hackle-raiser at the 1981 Cannes Festival, since when its exhibiton prospects have been stymied by censorship and its multi-talented director has met

multi-talented director has met multi-telented director has met an untimely death, The Fruits of Pussion ostensibly represents a near-classical yoking of arotice and exotica. Featuring Klaus Kinski as the decadent aristo-crat Sir Stephen, who places his devoted O (Isabelle Illiers) in a Chinese brothel to work through a parayase love pact. through a perverse love pact, and who equally unwisely attempts to toy in similar voyeuristic vein with revolutionary politics, Terayama's fairly explicit vision lights on amounts of the pornography of aspects of the pornography of power, punning wittily on the naked body politic with a semi-cureal scrutiny of the currencies of carnal pleasure and colonial pain.

Sumptiously styled, with audacious art direction and colour-coding competing with the regular vistas of (predomithe regular vistas of (precom-nantly femalo) flesh in seducing the eye, the film may eventurily mix one metaphor too many in alluding to the ramifications of penetration and possession, but its sly bumour and often starti-ing set-piece imagery offer ample compensation.

Uncompensated as ever are the kids whose street culture is repeatedly ransacked for, and repeatedly ransacked for, and usually misrepresented in, such energetically cynical trendsploitation material as Rappin'—a flimsy Camun-fodder quickle that travesties notions of community solidarity while putting its breakdancin foot unerringly into its five-talkin' mouth. Ditto any paying andience.

#### Angelo, Tyran de Padoue/Edinburgh Festival

#### Michaei Coveney

After the stilted embarrass-ment of the Belgian Mollère, the Pestival and the Auld Alliance receives a resuscitating Aniance receives a respectating bost with the arrival in tha Assembly Rooms of the Compagnie Renaud-Barrault in Victor Hugo's 1835 melodrama, set in 1549 Padus. Sarah Bernhardt counted the piece ber fevourite above all others; the actress-courtesan role of La Trishé is taken here by the mar-vellous Geneviève Page, who is hy no stretch of the imagination belonging to the school of hys-

terical bombast.

The evening, and Barrault's production, is, therefore, an intriguing blend of grand passion and tasteful modulation. Tisbe, the courtesan, is of impoverished oeckground and impoverished oeckground and ostensibly the mistress of Angelo, Angelo, the Governor, adores her, but she loves Rodolfo, a young gallant whom she passes off as her brother, but who, in turn, is in love with Angelo's wife, the sweet and relatively unadulterated Caterina. Hugo's prose is florid, without being particularly poetical, but the declamatory style it invites is only indulged when absolutely necessary. The when absolutely necessary. The players perform the protracted

expositions and unlikely coincidences with a straight face cidences with a straight face and a firm voice.

The Music Hail in the first two acts "La Clef" and "Le Crucifix"). Other properties of note include an incrimating, but Ghislain Uhry's minating letter, a phial of design is successfully accommodeted on the raised platform stage. This, in fact, is one of the classiest fit-up productions I intervention), and e group of striking theatrieal mannikins. Skyline evecatively silhouetted skyline evocatively silhouetted behind tombs and a reclining figure not to be confused with tha blanketed mystery man, Homodel (Pierre Tsbard), a spy from the Council of Ten and a political agent with e private grievance in these dark and operatic undertakings. All that is missing, really, is e score by

When the action removes to Angelo's palece, a solid folding screen decorated with a richly coloured Renaissance frieze of princes and courtiers cleverly incorporates secret doors, hid-den passages, and the illumi-nated prie-dieu on which rests Catarina's precious possession of a crucifix. Just as Tisbe's approprietion of Angelo's key is the main first-act incident all three acts are given without interval—so the emotional link between Rodolfo's rival

lovers is established by the crucifix (Hugo subtitles the first two acts "La Clef" and "Le Crucifix"). Other properintervention), and e group or striking theatrieal mannikins, draped in velvet, mantillas and jewellery, among which Tisbé, in e wonderful sequence from Miss Page, remembers bar triumphs and summarises her

Page's Tisbé is a svelte, catlike and thoroughly beautiful creation, doubly ill-treated you feel, because she is by no means over the hill. She looks ravishing, and transmits both a blazing determination to land her man and shocked valuer-ability when repulsed. The line of the performance is elegant in the extremo, and ber descent from eye-popping calculation to the beatific donation of Rodolfo to Catarina as she crumples with a fatal wound is genuinely

anecung.
The young couple of Gerard
Ismael and Sylvie Berge are
attractive and imbued with
what Barrault calls the "intoxi-

cation that pervades the action "
and Jacques Dacquines's tyrannical podesta is s splendidly
unscrupulous beavy, a slave of both concupiscent impulse and the lurking menace of Vecetian

politics.

The small parts are well dono, although I was a little shocked by the vulgarity of Barrault's own cameo contribution, a knee-trembling, tongue-flicking basket-weaving artisan, who goes a little over the top after sliding characteristically through a hovel door.

One does not wish to diminish tha wolcome due to the Renaud-Barrault company, but, taken together with the Belgians, they do not represent the most excit-ing of contemporary French-speaking elassical theatre. Money, of course, may be the reason why Peter Brook's theatre does not visit the Edin-burgh Festival, and the same presumably applies to Strehier's enterprise at the Odéon, or Chéreau's at Nanterre. Still. Angelo reveals a rich theme of almost forgotten grand theatre tradition, and Barrault's produc-tion takes its place alongside the Jepanese Macbeth as a memorable high point of the official programme.

### Royal Liverpool Philharmonic

#### **David Murray**

Just in time, the Royal Liver-pool Philharmonic found its best form for the conclusion of Wednesday's Prom, Janácek's Sinfonietta. Tha orchestra had not done itself justice earlier; one expected more of them, and of their permanent conductor Marek Janowski. Perhaps their London visit was too burried. Wagner's Siegfried Idyll made a muted, dreamy begin-ning — though the orchestral version was used, not the origi-nal chamber-size one. Janowski shaped it lovingly, even to a fault; the most forward-going passages were sleepy, and the rest becamed. Textures were spun with great delicacy, but in the Albert Hall that was almost a waste. Played ontside Cosima's bedchamber it would have been

lovely.
The main puzzle was Schomann's Symptony no. 4, pawky, wonderful Sinfonietta the D minor, which ought to was welcome. The Albert Hall suit Janowski very well. It was is the right size for it; the strangely mild, not to say tenta- Liverpool players were now tive—but maybe "tentative" fully on their mettle; and

where, and one began to wish thore were.
The concert was enlivened after the interval, by a speedy exhibition of Schumann's op 86 Konzertstück for solo born quartet and orchestra. The difficulty of the solo parts explains its infrequent performances, but here the born-playors — Michael Thompson, Richard Watkins, John Pignéguy and Anthony Halstead were intrepid and almost mishap-free. They made a sophisticated sound, smoothly blended and individually dashing; the quick outer movements were so quick as to display their prowess better than Schumann's smiable charms. It was nonetheless as successful an account of the piece as any I've heard,

In every respect Janácek's tive—but maybe "tentative" fully on their mettle; and besetting weakness of the performance was unfocused attack. Janowski had his own ideas about tempi, and some of them struck me as probably truer to Schumana than currently received ideas (notably the tear-away codas); but the execution was too limp to permit fair assessment of their effect. Even the great brass chord-building, usually a sure-fire them of the ment of the numerous, tricky thrill, was shy and pallid. There was nothing vulgar any
strangely mid, not to say tentative fully on their mettle; and full minious small detail found perfect employment, What makes the piece irresistible is not merely are was chout spending number was tho full method Rodriguez, ducted by John Eliot Gardiner celevin Williams, who popped, serve—we are watching the most important the most two full characters from did dance. Clevin Williams, who popped are celebrating the quater-spun, hip-hopped with splendid the order of the full character from odd imaginative dance; to emerge from the full character from the personal elements. All those bits got full character from the full character from

#### Waves/Festival Hall

#### Clement Crisp

based troupe of jazz dancers in the dance, or in the steamy now installed on the South duet to Inside Mores, done for Bank for a two-week season.

Thoir programme offers a wild by Meghan Doyle end Roni variety of items, from straight Koresh.
—and brilliant—break-dancing One number, Inaquidadarida to roller-skatting, belly-dancing an dsome rather more preten-

tious mators.

The mixture is slick in presentation, if rather less slick in continuity (there are sion is of performers eager to please and unsparing in the struts and kicks and gyrations

but little development. Signifi-cantly, I found that the most

Waves is a Philadelphia- bold vocal line well matched

sought to be pious about the borrors of war amid strobe lighting and dry ice, but looked merely addled. An adagio for an beroically built roller-skater temperature - lowering pauses flung to the winds aspired, in between each number), and the young dancers generate a bright rhythm and energy, with hard-driven, tant backing from a seven-piece band. The impression is of performers assume that a girl who let berself be flung to the winds aspired, in vain, to Art. In these, as in the larger ensembles, the limitations of the dance style were all too apparent. Whon the movement staved traces the movement stayed truest to its jazzy self and to tho dancers' ebilities — which are whip-lash quick, especially in the case of a long-limbed and limber young black danseur— we could enjoy an undemanding struts and kicks and gyrations that are the arget of disco and popular dancing.

This raw material is organised by Shimon Braun, director and choreographer of the troupe, in efficient show-biz terms, but is rarely transcended; the effect is of gloss but little development. Significations whip-lash quick, especially in the case of a long-limbed and limber young black danseur—we could enjoy an undemanding summer entertainment. All we then need is the summer to go with it.

Schultz guaranteed and gyrations whip-lash quick, especially in the case of a long-limbed and limber young black danseur—we could enjoy an undemanding summer entertainment. All we then need is the summer to go with it.

#### Schutz quatercentenary

### Bedtime Story, Androcles and the Lion/Theatre Royal, Bristol

#### B. A. Young

performance on the British tainly not the conclusion of that refused to eat him at the stage. Or it may be due to its the might's events, the room is to come on the stage, without a word between them, for the last minute of the action alone. It can hope to be done them. berlain's having banned it from It can hope to be done these days only as a curtain-raiser to cast play, and that la how Bristol has scheduled it, the big play being Shaw's Androcles and the

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Bedtime Story is a fairly trivial bit of knockabout. A young man is trying to smuggle a tart out of his bedroom in the early hours of the morning early hours of the morning without waking anyone up. Shaw wrote pieces has an on the stairs, coming home drunk the stairs, coming home drunk from a dance. This his landlady from a dance. This his landlady from a maternal mination to keep it comic, is Reddington) and makes a plays. comes in with a maternal

casual passer-by and through examination of the behaviour the window, a fireman. That is of the Christians in their last a very funny moment but I moments before being hustled cannot belp feeling that we have had to sit through rather

Shaw offers a variety of too long to reach it, without very much to keep us bappy. Barry Birch is the young man. Sophia Thompson the tert, and Sylvester McCoy the man from the dance.

Shaw wrote pieces just as

s. There is Ferrovius (Michael Attwell looking about six foot four), who, having beaten six gladiators single-handed, decides to: join the Imperial Guard and repent later on for his lack of faith. There

If you have nover met anxiety to see that everything of the Roman slave is all right. Of course everything of the kind, and at it may be due to the Lord Chamberlain's having banned it from the final curtain, which is cerebrated for it may be due to the British the right's events the room is Roman slave.

Androcles, whom Shaw insists is a Androcles, who insists was a Greek tailor, and the lion and of course that refused to eat him at the there is Androcles, who induces the room is the room in the conclusion of the Roman slave. join him in a waltz, then on bumanitarian grounds declines the offer of a job in the Imperial menagerie.

You might say that the play was as good an argument for the Animal Rights lot as for the Christians, but it is packed with good Shavian lines, and the company plays it very nicely. Sylvester McCoy's apolo-getic little Androcles is beart-warming as well as funny, and Paul Rattigan is an active and graceful lion. Su Bentinck has provided a pretty set that can face three ways for three scenes; I particularly liked her gallery full of model spectators. Unwin directed both

### Rigoletto/Coliseum

#### **Max Loppert**

The English National Opera season opened with the latest down brings an attractive fresh gent, capable ENO artists, both revival of the Jonathan Miller look to the role of Duke. Mr proved slightly more probproduction of Rigoletto — this Rendall spends much of his lematic. Noil Howlett made seems to be the company's performing life in New York, an admirable Rigoletto in the talisman staging, much as Don and has evidently learnt there previous bouse production; on Carlos was for many years at how to chew gum idiomatically Wednesday be seemed not to talisman staging, much as Don and has evidently learner that the bouse up the road. On Wedhow was generally his shoulders in the propar this one. His quality of watchful the bouse dobut is already by the can lend a quite the can lend a quit seen and beard to be in good style; the dramatic borrowings shape, despite the presence of from Sinatra were carried off shape, despite the presence of from Sinatra were carried off a completely new set of principals and conductor; ENO tenor opens out easily at the regulars may have detected in top, but in other registers does it a certain coarsening of detail, not always give the impression a certain loosening of the of focusing on the centre of central emotional notwork — the notes. Having mastered tho and therefore, perhaps, a mechanics of the production, timinished credibility to the he should now concentrate on modernisation as a whole. But drawing greater smoothness it was even so a performance that did the company no serious

David Rendall, newly slimmed-though takon by serious, intellias an ENO-style New York down, brings an attractive fresh gent, capablo ENO artists, both Gilda. Much in her singing was and sweetness from the vocal Father and daughter roles

reserve, which can lend a quite special intensity to such diverse roles as Don Alfonso and Iago, hirned bere into a kind of genteel English detachment— the moustacho end shabby suit were items of dress, not revelaperformance gave off e feeling of holding back.

Joan Rodgers, a young Eng-lish rose of a soprano appeared likewise a littla disadvantaged

exquisite, gently shaped and technical vulnerability sug-gested olther norvousness or a pleasing mixture of common sensuality and real feeling. The conductor, Noel Davies, strives to make this a "big" reading —in the prelude, his exertions brought a coarseness of brass playing that recurred through-out the evening. Ho now needs to temper it with much more sympathetic ettention to the singers and their individual vocal needs.

### International Guide to the Arts

### Continued from Page 8

### **Exhibitions**

Repol: An important exhibition of the Resolr: An important exhibition of the most sensuous of the impressionist painters, who never tired of glorifying the nucle feminine body capturing the light, comes to Paris from the Hayward Gallery, London. It consists of some 125 paintings and 50 drawings, including Le Bel du Moulis de la Galette and La Danse & Beauting Grand Palus. Closed Tue. Bougival, Grand Palais, Closed Tue. Ends Sept 2 (2615410)

Robert and Senia, Delamay: for the 100th anniversary of their births, his in Paris and hers in the Ukraine, a retrospective of some 300 objects, paintings, drawings and decorative projects brings to life their joint piotorial adventure. Whether exploring abstract painting or disarticulating abstract painting or disarticulating Eiffel Tower images, their colours are vibrant, their joie de piere explosive. Musée d'Art Moderne, 11

ritume: An encurant assembles 550 ob-preise of perfume assembles 550 ob-jects, mostly phials, bottles and per-fume fountains from the 18th to the fume fountains from the 18th to the name sountains from the 18th to the 19th century. Some were made of Viennese porcelain, others of Bo-bernian cut glass or from gold and enamel in England. There are silver pomanders with petals opening up and Chelsea china statuettes. They all shows enemies accompanion and Cheisea china statuetes. They all show enquisite workmanship and some of perfume's power to be-gula. Le Louvre des Antiquaires, 2 Place Palais Royal, Ends Sept 15.

### WEST GERMANY

finnich, Staatsgalerie moderner Kunst, Prinzregentenstr. I: German Art since 1900, 200 paintings, prints and drawings by 13 artists from the private collection of the German Prince Franz of Bavaria. Among them: Beuys, Richter and Kiefer. Ends Sept 15. Hildesheim, Römer und Pelizaeus-Mu-

Midesheim, Römer und Pelizzeus-Mu-seum, Am Steine 1-2: Nofret, the sz-hibition covering Women in Egypt. For its last stop in Germany, the ar-hibition will carry 177 pieces, an ex-tra 98. Some 30 objects are on loan from the Egyptian Museum in East Berlin. It is the biggest assembly of Pharoan Art. Ends. Nov.

Turkish curing and art from me ca-man Empire. 500 works ranging from the 15th-19th centuries. The show includes glass, carpets, cerum-ics, ministures and weapons. Ends.

Perfume: An enchanting exhibition in praise of perfume assembles 550 objects, mostly phials, bottles and perfused. Stolen. The exhibition decharged. changed, Stolen. The exhibition de-soribes the role of women in differ-ent cultures and shows various mar-riage ceremonies. It also displays 2,000 paintings, photographs and customes from various countries through the ages. Ends Oct 10.

BRUSSELS

ent including Zeffirelli's Rigoletto. Bosquet's Travista and Karl Ernst. Herreman's Clemency of Titus. Mu-see de Costumes et Dentelle. Until

ITALY

Source: Museo Archeologico (Piazza SS. Annunziata) — The Erruscan Civilization: This is the first of a long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most recent earch into the Etruscan world. A

Herence: Palazzo Pitti (Sala Bianca):
Modern masters from the ThyssenBornemisza collection: The pleasure
to be had from this remarkable exhibition is that it reflects the taste
and prajudices of one individual:
one of the few left who can afford
Court Manast Gaussia Pleasen. one of the law left who can singui Corot. Manet, Gaugnin, Picasso— and who is generous enough to send them to be exhibited in France, Eng-land, the U.S. Anstrelia, Japan, and now Italy. This same collection, with a few exceptions, was seen at the Royal Academy in London last au-tonia. Ends Sept 29.

Rome: Lalazzo Venezia (Piazza Venezis 3): Passaggio Con Nigura – 57 works from the Borghese collection. The Villa Borghese, which houses one of the best patrician art collections in Rome, is likely to be closed for repairs for at least another year and some of the gams from the col-lection have been transferred to this site for the summer, includes works by Titlan, Veronese; Domenichino, Caravaggio and Dosso Dossi. Ends Sept 30.

#### METHERLANDS

Assistedam Rijksmuseum Printroom Continuing its centennial celebra-tions, the museum has put together a revealing exhibition of 60 of its fin-est Rembrandt drawings supple-mented by a further 60 by amony-mous Rembrandt pupils and follow-ers to illustrate the extent of the master's influence. Ends Sept 29. Haarlem, Vishal, 100 of Jacques-Hanri Lattione's timeless whomerable of Lartigue's timeless photographs of moneyed France between the wars. Ends Sept 13. otterdam, De Doelen. 12th Art and

Antiques Fair (all week from Sun). SPAIN Santander, Santillana del Mar. The splendour of pre-Colombian culture. Gold exhibits from the Quimbaya Tressure. Fundacion Santillana, Torre de don Borja. Ends Aug 30.

SWITZERLAND

Martigay: Fundation Pierre Gianadda: 250 Klee paintings in the striking modern gallery built over the Ro-man runs of the city of Octodurus. Ends Nov 3. (028/23978).

VIENNA

Vienna 1870–1830; Dream and Reality: The greatest names of the Viennese fin-de siècle – Klimt, Otto Wagner, Schiele, Kokoshka, Adolf Loos, Josef Hoffman - in a dazzing display of Jugendstil creative genius. The attempt to integrate the artistic

achievements of this era with philosophical developments (notably Wittgenstein but also Frend) and political transformations (the emergence of numicipal socialism on the ruins of Baroque splendour) is ambitions of the color particular and the ruins of the property processed. The ruins of Baroque splendour) is ambitious and only parity successful. The complex tension between autocratic and censored reality on the one hand and the illusions or fantasies of individual artists on the other is hinted at but not fully explored. A high point of the show is a reconstruction of Hoffman's room at the secession exhibition of 1902. Here, triumphantly restored, is Klimf's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Kinth Symphony. Displayed exactly as intended, this alone is worth e special visit, Kungtlerhaus, Ends October 6.

TOKYO

Modigliani: 130 works in oils, water-colours, and sculptures. National Museum of Modern Art, Klamoma-rn Park (near Palace and Imperial Hotels and parts of Tokyo's oasis near the Imperial Palace). Ends Sept 29.

Contemporary Western Art: Small standing collection of Hara private museum (Shinagawa) includes works by Duhnflet, Jasper Johns, Lichtenstein, Jackson Pollock, Vasarely, Warhol. The museum is a modern house, with a large shady garden and actities for tea on the awn. It is an ideal antidote to Tokyo's concrete and heat. Ends Sept 23.

Hiroshima Panels: These immense murals depicting the bombing of Hi-

roshima now number 15 panels and have taken artists Toshi Akamatsu and Iri Maruki 30 years to complete (some of the earlier ones were exhibited in London in the 1950s). The series is on permanent exhibition in a special gallery, an hour's journey from Tokyo. The panels, based on the couple's experience and that of bomb victims, are remarkable for bomb victims, are remarkable for the breedth by which they not only depict Japanese but also foreign vic-tims killed by the blast. A thought-provoking Sahnrasy expedition. Maruki Gallery near Higashi-Mat-suyama station on the Tobo-Tojo line from Ikebukuro. (Call 0493-23-1167 for directions in En-glish.) Closed Mondays.

Rubens: The first large-scale enhibi-tion of Rubens in Japan. 30 master-pieces of oils and prints, pins works of collaboration with his pupils. Ta-kashimaya. Department. Store, Ni-honbashi. Ends Sept 17, Closed Wed.

trom the period between the 1851 Crystal Palace Exhibition to the 1900 World Fair in Paris demon-strate the show's theme of Revivals and Explorations in European dec-orative arts. Ends Sept 5.

#### WASHINGTON

National Museum of American Art: 35 paintings by Alexander Hogue cap-bre the American Southwest through dusthowl and prairie in highly styliaed, evocative works from the 1920s to the present. Ends

### Beatles for sale Rock 'n Roll will never die: £3,520 (as against a £1,500 top it cannot afford to with the forecast) while John Lennon's prices paid at Sotheby's yester (which carried at £2,000.£3,000

Saleroom/Antony Thorncroft

some quite extraordinary prices were paid for unconsidered trifles. For example an advertising

poster of July 27 1962 showing the Beatles to be second on the bill at the Tower Ballroom, New Brighton to Joe Brown and bis "Bruvers" made the unlikely price of £2,540—Sotheby's had estimated £300-£400. A letter by Peul McCariney to Melody Maker magazine saying the Beatles would never re-form sold for £11,000, way over twice its forecast.

Other items were more on tar-get in the session devoted to the Beatles, which totalled the Beatles, which totalled £119,180 with 9.5 per cent unsold. George Harrison's 1985 Aston Martin DR5 coupe was at the top of its estimate going to a Jordanian car fanatic for £19,800, while a set of 13 erotic lithographs by John Lennon, entitled Bag One, were slightly below forecast et £4,400. However, a bronze of Lennon by K. Carter did well at £3,520. Carter did well at £3,520.

cult figures, and although the prize lot, John Lennon's psychedelic Rolls Rovee was a summated went for £3,410. The same sum secured the presentation gold disc for "Let it be " Among the characteristics and although the presentation gold disc for "Let it be " Among the characteristics and although the presentation gold disc for "Let it be " prize lot, John Lennon's psyche-delle Rolls Royce, was with-drawn before the auction be-cause of an owenrabip squabble, tin of Beatles talcum powder was also below forecast at £110. One of John Lennon's steel guitar strings did well at £286, and five garments from the Apple shop, circa 1968, were

cheap at £297.

There were disappointments: drawings by Lennon of Yoko One for the book Grapefruit wore bought in at £1,500, well below the reserve, and, at the lower end, a act of Beatles gur-cards was unsold at £65. A big buyer was London's Hard Rock Café: it paid £330 for a red fake fur jacket reputedly worn

by John Lennon. The afternoon session was devoted to the rest of the por world. There was a major disap-pointment when Elton John's car, a superb 1949 Delahaye conpe built for the Maharajah of Mysore, failed to find a huyer but Cliff Richard was in favour, his first acetate recording of 1958 more than doubling its top estimate at £3,080 and en early guitar selling for £2,200 as against a £900 top estimate. Carter did well at £3,520. Elvis Presley's black suede
There was a surprise among jacket sold on behalf of
the clothes with George Harrison'a 1964 stage suit making Great Britain for £4,950.

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### **FINANCIAL TIMES**

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Friday August 30 1985

### Reagan backs free trade

IT IS HARD to improve on President Reagan's own words: "protectionism is a crippling cure, more dangerous than any economic illness," he declared on Wednesday and firmly denied the U.S. shoe industry the import protection recom-mended by his own International Trade Commission. The industry in question may be a mere speck on the broad canvas of international trade and the

of international trade and the 100,000 American footwear workers are bardly one of Washington's most influential pressure groups, but it is the starkness of the issues which gives this case its real importance.

"Our footwear industry will never be competitive with imports," said Dr Clayton Yuetter, the U.S. Trade Representative, in explanation of the President's decision. In Europe and Japan, this very same statedent's decision. In Europe and Japan, this very same statement might have been used to remain co justify tougher protectionist measures, instead of a market free-for-all. But Mr Reagan appears to recognise, at least at times, that "signing the death warrant" of a domestic industry, as Senator Bill Cohen of Maine described his action, can sometimes be a necessary part of the logic of free trade. International division of labour requires rich nations to abandon requires rich nations to abandon uncompetitive industries as well as to develop new ones which are more productive.

This does not necessarily mean that Americans must give up altogether on the manu-facture of footwear in a world of Korean. Taiwanese and Brazilian competition; but it does mean that they can only do so by applying, like some European manufacturers, a level of design sophistication, marketing skill, and manufac-turing efficiency which puts them outside the range of their

The U.S. shoe industry's experience did not suggest that protectionism is an effective way of alimming an inefficient and outmoded industry down to a competitive, dynamic core. But even if temporary protec-tion were needed for restructuring as every beleaguered industry invariably argues, this would not justify import barriers either. The fact that an industry could conceivably an industry could conceivably industries, as President Reagan become competitive in the has done on footwear, there is future by investing heavily and cutting its labour costs is not partners can do to keep U.S. an argument for protecting it protectionism at bay.

from international competition

principle of comparative advantage, which means that each country should concentrate on those activities it does best. If Americans are better at phar-maceuticals than they are at shoemaking, while Koreans are better at shoemaking than they are at pharmaceuticals, then America should laave shoemaking to the Koreans, even if it could somehow find ways of matching the Koreans' cost advantage in footwear.

President Reagan bas been free trader ever since his youth, when he experienced personally the disastrous consequences of the Smoot-Hawley tariff and the international trade war of the 1930s. Yet the dangers of a U.S.led slide into protectionism remain considerabla, despite this week's welcome decision on footwear. There are three

A majority of the U.S. Congress and the American public probably does not share the President's free trade instincts and sident's free trade instincts and this sentiment is bound to prevail at times, as it did in that case of the steel industry. More importantly, there is the extreme overvaluation of the dollar. Partly as a result of Mr. Reagan's own macroeconomic policies, the currency bas risen so high that America's main area of comparative advantaga currently appears to he in the sale of government bonds and empty office building. Finally, there are the persistent there are the persistent breaches of comparative advantage in other nations' trading policies, whether on Japanese and European farms, in Brazi-han computer factories or the

Korean insurance markets. There is little the rest of the there is little the rest of the world can do about the first of these protectionist forces. With regard to the overvalued dollar, Europe and Japan are not entrely powerless, though they can do little until there is a more determined attack in Warhington itself on the creation. Washington itself on the excessiva hudget deficit. But in opening up their own markets to freer competition, in accelerating the progress towards a new round of trade negotiations in Gatt and in rejecting the protectionist calls of their own

week that after paying all interest and dividends on foreign capital, the economy could still finance net loan and credit repayments of R400m

Rand against the U.S.Dollar

T HAS BEEN a good week
for the sanctions lobby in
Western countries which
must be scenting blood following the temporary closure of

South Africa's foreign exchange

and stock markets.

The combination of threat-

ened economic sanctions and internationals bank perceptions of escalating political risk, has brought Pretoria to the point where an enforced rescheduling of some of its \$12bn of short-run international obligations

may be necessary.

Whatever the economic package that Dr Gerhard de Kock, governor of the South African Reserve Bank, manages to put together following his consultations, with European central

together ronowing ms constitutions with European central bankers this week, the fact remains that international political pressures, wholly unrelated to the underlying strength of the South African economy, here without the country in the

or the south African economy, have pushed the country to that point where debt rescheduling and even default are real possi-bilities.

Underlining this point last night, Mr Gavin Relly, chairman of Anglo-American Corporation, warned that since the run on the

rand had been politically in-spired, any economic measures

that the anthorities might in-troduce would have only short

to medium-term effects unless accompanied by steps towards a new political dispensation. The breathing space Pretoris gained by closing the markets

gained by closing the inarkets
this week may provide a temporary respite, but so long as
foreign bankers and investors
continue to see pictures of unrest in the townships on their
TV screens night after night,
any rand recovery could prove

It is widely amknowledged that the collapse of the rand to a record low of just under 35 U.S. cents on Tuesday this week was not justified by the economic fundamentals. South

Africa will this year run a cur-

rent account external payments surplus of around R5bn-\$2.5bn

of goods and services—was estimated at around 13 per cent and way below any kind of dan-ger level. Dr de Kock said this

difficult to sustain.

### New strength that may not be enough

By Tony Hawkins in Johannesburg



Gerhard de Kock

of this magnitude, albeit at the

cost of a weakening rand, higher inflation and interest

rates and slower economic

sion when the authorities, boxed in by the drought and the weak words, was living beyond its gold price, embarked on a tough anti-inflationary programme, squeezing private sector demand in tax increases and penal authorities began to relax interest rates and preparing for a restrictive budget in March this year.

The prime operative trate was

HOW SOUTH AFRICA'S ECONOMY HAS BEEN HIT

The prime overdraft rate was raised from 14 per cent in mid-1983 to a peak of 25 per cent a year ago, at which level the real rate of interest was 9 per cent. As part of the deflationary pack-As part of the deflationary package, general sales tar was raised from 7 per cent in the first half of 1984 in two stages to its current 12 per cent level. In the March hudget, the rate of increase in government spending was held to 114 per cent and well below the 18 per cent inflation rate. The Government "deficit before borrowing" was reduced from 3.5 per cent of GDP in 1984-85 to a forecast 2.2 per cent in the current year.

Restrictive monetary policies brought down the growth rate in the money supply from more than 19 per cent in the first half of 1984 to 10.5 per cent in the comparable period this year. As a result of this harsh and effective deflationary package, gross domestic expenditure declined for five successive quarters so that in the second quarter of 1985 it was some 9 per cent below its levels of a

assuming an exchange rate of 50 U.S. cents to the rand. Last year the deht-service ratio—foreign deht servica pay-ments as a proportion of exports year previously.
This domestic crunch was accompanied by a big improvement in the current account of the balance of payments. On a seasonally-adjusted basis, the current account swung from a deficit of R2.5bn in the first quarter of 1984 to a surplus of almost R5.50n in the June quarter this year. What makes this particularly impressive is that it was achieved despite a monthly (\$140m at the current this year. What makes more than RJbm in the 18 months to July 1985, which inthat it was achieved despite a clinded a net inflow of about that it was achieved despite a clinded a net inflow of about that it was achieved despite a clinded a net inflow of about Rlbn in the form of equity and gilt investment on the Johannes-burg strong rebound is expected of narrowement in the halance as strong rebound is expected of narrowement in the halance as the count showed a net inflow of more than RJbm in the 18 months to July 1985, which included a net inflow of about Rlbn in the form of equity and gilt investment on the Johannes-burg Stock Exchange. next year with growth of at per cent decline in the effective least 3.5 to 4 per cent even rand exchange rate in the last allowing for possible political two years.

All this represents solid probrokers had noted a substantial
A year ago, the domestic gress along the road towards outflow of funds through the
economy was thrust into recess stabilising an economy which
equity market during July, the

domestic unrest and the threat of economic santtions which between them precipitated the

president of the exchange said yesterday that this had been reversed and there had actually been a net inflow of investment, mainly in gold shares, in the past fortnight.

Past forting to the second reported reversel in the trend of equity market investment, there had been a net outflow of short-term funds estimated at R5.6bn between them precipitated the currency crisis.

Pretoria must now grapple with two separate, but closely inter-related, crises of confidence—one long-term and the other immediate. The long-term confidence crisis can be resolved only by substantial the rand. As political tensions political, reforms and with

> Debt rescheduling and even default are real possibilities

President Boths having apparently consigned this to the back-burner, the near-term confidence crisis has assumed much greater importance.

Although South Africa has engineered a big improvement in the current account of the balance of payments, this has been substantially offset by a deterioration on capital account caused by the politically-inspired net outflow of short-term funds. Despite a worsening political climate, South Africa's long-run capital Africa's long-run capital account showed a net inflow of

underlying Pretoria's decision to suspend temporarily stock exchange dealines this week was the fact that although JSE

to become self-reinforcing as the market predicted further falls in the South African cur-

During the three months to July, foreign investors sold an estimated 2500m of South African shares and gilts in re-sponse both to the deteriorating sponse both to the deteriorating political situation and some epparent disappointment with the failure to harden of the gold price and gold shares as the U.S. dollar weakened. In addition there were net outflows of capital caused by a reduced weed area for impose fathers. duced need for import financ-ing, increased export credits by South African exporters and substantial short-term debt re-

in the first quarter to only R113m.

With lts large account surplus and a net inflow of long-run capital, South Africa could have coped with short-run capital outflows

This would imply prolonging the domestic recession with its side-effects of mounting unemployment that could only exacerbate the tensions in urban areas. As it is, black unemployment—as a ratio of the companion the economically active black population — is estimated by the South African Reserve Bank to have risen from a low of 7.6 per cent in January 1984 to 8.2 per cent in April this year.

Furthermore, it is highly questionable as to how long the long-run capital account will remain in the black given the political outlook. Unless tha political climate improves markedly, it would be only realistic to expect long-run capital movements to replicate those in the short end of the market.

But what brought the rand crisis to a head this week was an entirely different influence of international banks, and especially U.S. banks, to renew existing credit lines to South African borrowers.

South African companies did go offshore for working capital loans last year to exploit the interest rate differential be-tween high cost South African bank borrowing and much lower interest rates, abroad. Pretoria. was happy to permit such bor-rowing, partly because it helped the balance of payments and party because it fitted in with the image of decontrol and financial liberalisation that has been fostered. With the benefit of hindsight,

the resort to offshore funding has backfired. Not only is it at Despite this, the net outflow frances slowed substantially the June quarter from R28bn within 12 months of an estimate support package.

This proviso, of course, is crucial, South Africa faces a political crisis, not an economic within 12 months of an estimate support package. mated \$12bn. But many local Nigerian Government was borrowers have had their fingers toppled because its economic borrowers have had their fingers badly burned in the process. Because they borrowed on an uncovered basis—to exploit in-terest rate differentials—they

rand has tumbled leaving them with much larger rand dent servicing payments than they anticipated when they raised their foreign loans. Some bankers are highly critical of the authorities for allowing such horrowings since, as one puts it, a very scarce resource, in the form of foreign exchange, has been used to fund domestic consumption rather than being used for the traditional anancing of essential imports, of exports and of new capital projects.

South African Reserve Bank and Government officials are this week hastly putting together a package designed to nuderpin the rand when the markets reopen here on Monday, but it seems increasingly likely that Pretoria will reluctantly be forced to reimpose aome exchange controls over capital transactions.

It may be that new lines of credit will be arranged with the

It may be that new lines of credit will be arranged with the European central banks by whom Dr de Kock is talking this week, but it seems doubt ful whether these will be of a sufficient magnitude to avoid some new controls over capital movements and also over stock movements and also over stock exchange transactions. Because South Africa could not meet South Africa could not meet immediate repayment, over the next 12 months, of the estimated \$12bn in short-term foreign borrowings, it may be that there will also have to be some rescheduling of these loans to give Pretoria the necessary breathing space to meet its foreign exchange commitments.

Providing that Dr de Kock and his advisers can overcome the immediate crisis of confidence in the exchange and stock

the immediate crisis of confidence in the exchange and stock markets, and given the underlying strength of the South African economy, the prognosis for the rand is less bleak than recent events might suggest. The take just one indicator: the rand price of an ounce of gold is today fully three times the coat of producing that gold, which implies that the rand exchange rate is seriously out of kilter since a two-to-one-ratio would be more realistic.

Johannesburg bankers, wary

Johannesburg bankers, wary of making predictions in the light of recent experience, expect the rand to move smartly back over the 40 U.S. cents level when the markets reopen next week. Thereafter some analysts here expect a slow appreciation in the currency always provid-ing that there are no further political shocks to destabllise the markets and undermine the rand support package.

policies undermined its political power structure. In Pre-toria, the boot is firmly on the terest rate differentials—they other foot — a strong economy have caught a nasty cold as the is being politically undermined.

### The selling of life assurance

THE PROPOSAL announced standard industry scale, yesterday to license everyone For the standards of probity yesterday to license everyone who sells life assurance, pension plans and unit trusts is to be genuinely raised, MIBOC welcome. It demonstrates that will have to go beyond the the Marketing of Investments White Faper proposals for a Board Organising Committee eccond time. On the one band, (MIBOC), the nascent industry it must avoid giving officials watchdog, is prepared to approval—or even permission—go beyond the provisions of to a cartel-like arrangement January'e White Paper on which would penalise life assurinvestor protection.

that only businesses marketing investments would need to be authorised. But the new proposals, which loosely follow the U.S. regulatory framework, are aimed directly at raising the advice of an Insurance broker standards of competence and probity of individual brokers client's agent, acting in the and salesmen. "We want to create a professioo," said MIBOC chairman, Mr Mark by the insurance company by the in

other intermediaries. How far standards of competence and training are raised will depend on bow demanding and com-prehensive the proposed multichoice test is for licensed inter-mediaries. There is however no possibility that It will approach the rigours of a professional

At least the proposals have not been diluted by exempting any categories of intermediaries from the licensing requirements
-except possibly for solicitors and accountants. In particular, building society and bank man-agers will require a licence to seli endowment or pension mort-

#### Remuneration

But more training is not the same as more probity. And MIBOC says little about how the latter will be achieved.

The claims of life assurance intermediaries to offer impartial investment advice have always been weakened by their form of remuneration, through commissions which vary from product to product and which most cusindustry are still discussing,

White Paper proposals for a second time. On the one band, it must avoid giving officials approval—or even permission ance innovators and newcomers The White Paper envisaged prepared to overcome conserva-

advice of an insurance broker who holds himself out as his The proposals do more to tackle the lack of competence than the lack of problty among life assurance salesmen and other intermediaries. How far standards of competence by the practices of insurance brokers. MIBOC's aim should be to clarify the right of a poten-tial innsurance policy-holder to be notified as a matter of course of any commissions—including bonuses and benefits in kind that en intermediary will re-ceive by selling him a policy unless tha salesman has made it clear that he is acting as the agent of an insurance company.

MIBOC should now consider ways within the licensing system it has proposed to allow the small saver or policy-bolder to assert his rights cheaply and without court battles. This would be a fact to recoverful. would be a far more powerful tool for raising standards of probity amongst salesmen and hrokers than the requirement to assent to a code of conduct. Possibly the simplest administrative procedure would be to encourage independent intermediaries to ask their customers to sign a form which stated the commission they were earning

The MIBOC proopsals do not to product and which most cus-tomers would consider excessive rights to the customer which if they were ever told. The would erise directly from a White Paper proposals, which hreach of the licensing rules by MIBOC and the life assurance a salesman. Nevertheless, the threat of a complaint from a would require Intermediaries customer which, if sustained holding themselves out as inde-pendent to disclose their com-missions unless they followed a deterrent.

### Bonn's reluctant recruit

Possibly the most powerful compliment paid yesterday to the new bead of West Germany's intelligence service (BND), Hans-Georg Wieck, came from an opposition politician who has spent the last few days trying to unseat Friedrich Zimmer-mann, the Interior Minister, who

is Wleck's new boss.
"The apointment," cried Will-"The apointment," cried wulfried Penner, a zenior social
democrat, "Is a measure of the
scale of the catastrophe." He
attacked the "dubious attempt
by the Government" to use
Wieck'e international reputation in an attempt to restore foreign confidence in West German intelligence.

Wieck was named bead of the BND social after the West German Government announced It had sacked Heribert Hellen broich, the former chief, charg-ing him with full responsibility for allowing the country's top spy-catcher, Hansjoschim Tiedge to defect to East Germany 10 days ago.
Wieck, aged 57, was until yesterday Bonn's ambassador to Nato beadquarters in Brussels,



in Bonn but even the hollow tree has defected

### **Men and Matters**

to Moscow. People close to him say he is

trough on subordinates, and upon himself. Colleagues are said to be just a little afraid of him. He is a widower who bas been bringing up a young son in Brussels. Friends say be is often withdrawn in his manner. The indications are that Wieck bas taken up his new job with reluctance, asking first for time to think about the offer. Chancellor Kohl, in a burry to

clear the scandal off the news-paper front pages, gave him three days at most. English style

English-born Edward Jefferson, who will step down as chairman of Du Pont, the U.S. chemicals giant next May, is best known on Wall Street as the man who outfought Mobil and Seagram for control of Conoco, America's ninth biggest oil company, just after he became chairman in

While Jefferson and his colleagues still stand by tha \$7.8bn acquisition, which at that time was the higgest takeover in U.S. history, several Wall letters."
Street analysis are now seeptical. "Like it or not he is Post Of helps the going to go down in history as the guy who bought Conoco at the top of the market. And he has not moved aggressively to clean up the company," said one yesterday.

Aside from the heavy debt the south east write the most which Du Pont incurred, the latters. But why do the Welsh Conoco deal also landed the write fewer letters than anychemicals group with a new shareholder, Seagram, the Can-adian liquor group, which now owns 22.5 per cent of Du Poot.

one of the three key jobs in the more important say in Du Pont West German diplomatic service. He is a former ambasador Leaving aside the U.S. oil Leaving aside the U.S. oil majors only General Motors, Ford and IBM, are bigger than Du Pout which boasted sales of

\$36bn last year. It employs 150,000 people in 56 countries. Jefferson came to the U.S. in 1951 after serving in the Royal Artillery in World War Two, and later getting a doctorate in chemistry from Kings Col-lege, London Most of his career was spent on the Du Pont re-search side before he took over as chief executive on the retireas ther executive on the redre-ment of Irving Shapiro.

Jefferson will hand over to Richard Heckert, aged 61, a vice chairman. Heckert is also a

chemist by training and fits neatly into the mould of the recent managers

#### Dear Sir . . .

The British still write a lot of letters—in fact 695m last year—an increase of 58m on the previous year. Jonathan Wootliff of the Letter Writing Bureau which has just issued a survey on Britain's personal letter writ-ing habits, says: "There seems to be a guilt complex in Britain about not writing enough

However, according to the Post Office, which naturally helps the hureau financially (together with commercial stationery interests), British growth in letter writing is greater than in the other EEC countries.

People living in London and write fewer letters than anybody else? The personal letter still sur-

vives, eccording to the bureau's researches. Not the old Seagram, which has been hit literary essay disguised as a hy declining liquor sales, now letter, however. Nowadays, gets nearly three-quarters of its using multi-coloured inks and profits from its \$30n Du Pont writing paper, you can turn a atake. Seagram would like a simple message about Deirdre's

1 8.25 Mary O'Here and Friends. 7.75 Botany Bey." storring James Mason Chips. 17.45 Reflections. 11.90 Golf Company.

emotional problems into an art

#### Saturday school

The presence of increasing, if still very small, numbers of Japanese managers in the north east is already posing the inevitable problem of English language teaching for the wives and children now making the

region their home. Senior managers from four of the Japanese companies in the north-east—Nissan, NSK, Sumi-tomo and Tabuchi—have just tomo and Tabucci—have just set up a committee to look at the way the families, and perhaps the managers themselves, should receive English language

Comprehensive

Usworth

School in Washington near Sunderland is already providing teaching in its language labora-tory for Japanese children on Tyneside. Nearby Oxclose Comprehensive provides teach-ing for adults one day a week. ing for admits one day a week.

Now the Jepanese committee, chaired by Mr Toshlaki Tsuchiya, managing director of the Nissan plant (which has 20 Japanese managers on-site) hopes to establish a special Saturday school for children by Ostaber.

October.
The committee is expected soon to expand its activities beyond education into a lisison role between Japanese business interests and the local authori-

ties. While the Japanese can get their language teaching locally they say they have been unable to find a British supplier for the heavy-duty cotton which goes into Nissan's usual work uniform,"

The company's new workforce has compromised by buying lighter duty material from a British company.

### Help if needed

A reader in the Homa Counties is puzzling over a sign outside the local ante-natal clinic, "Tuesday 9 am to 1 pm. Women for emergencies."

Observer

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"OVER THE years the nature and structure of public inquiries has evolved gradually and logically to a modern piece of machinery which is highly tuned, fairly elaborate and on the whole well suited to its function of collightening tha Secretary of State ..."

That was the view of Mr Tom King when he was Environment Secretary in 1980.

Give or take a few shades of

Give or take a few shades of confidence, it is probably still tha Government's view on hig public planning inquiries. Two mammoth examples of the genre have been back in the limelight mammoth examples of the genre have been back in the limelight over the last few months—on London's third airport and on the Central Electricity Generating Board's plan to build a pressurised water reactor at Sizewell on the Suffolk coast.

Sizewell on the Suffolk coast.
However, by no means everybody is as happy with Britain's
inquiry system as Mr King's
words suggest. Concern is being
expressed by many of those involved both about the length of
time the big inquiries take and
about their fairness to participants.

pants.

Both the airport inquiry, led the Government to give the go-ahead for the development of Stansted airport, and the one on Sizewell "B," which ended its bearings in March and is expected to bear fruit in the form of an inspector's report later this year or early next, were exercises of imprecedented direction and continierity. were exercises of imprecedented duration and complexity.

The Stansted hearings lasted 258 workings days. They cost the taxpayer an estimated £2m to run and all inquiry parties hetween £25m and £30m.

That record was easily beaten this year by the Sizewell inquiry, which lasted 340 work-

inquiry, which lasted 340 working days over 2½ years, generated 15m transcripted words and created enough paper to stretch, end to end, from London to Cairo.

And as Sir Frank Layfield, the Sizewell inspector, sifts through his mountain of evidence, it is that inquiry, which is regusting particular. which is causing particular concern among both proponents of the PWR project and

objectors to it. Public planning Inquirles have grown steadily in size and complexity over the years, coinciding with the rise of the environmentalist movement in

This has led to suggestions that the British system is gripped by a particularly damaging sort of paralysis every time it has to make up its mind on a major capital

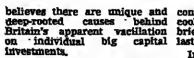
Admittedly, other countries have their planning problems. In the U.S., for instance, the entire nuclear industry has In the U.S., for instance, the entire nuclear industry has been brought to a virtual stand-still by regulatory difficulties and political opposition.

But Mr Anthony Barker, a lecturer in government at the kinders of the provided a unique focus kindersity of Essex, who for protest Only a few years specialises in planning matters, ago, planning inquiries on the

UK public inquiries

### The lessons of the **Sizewell** marathon

By Andrew Gowers



One reason is tha failure of One reason is the failure of the present parliamentary and political system to examine policy except in o piecemeal way. This means that inquiries into individual projects, like Sizewell, have to become a peg on which to hang a general issues of principle. issues of principle.

Implausibla though it may sound, Sizewell was the first wide-ranging and detailed public examination of energy policy in an official forum. . "There are almost no institu-

tions in the British political system for looking into the future in a modern, systematic and open way, " says Mr Barker." The British are sipping backwards, if anything on this.

Secondly, environmentalist bodies are tending increasingly to question the assumptions on which government planning ar propos

British public inquiries have, in recent years, been largely dominated by two subjects, South-eastern airports — on which three public inquiries

lasted only a matter of hours.

In the interim, public perceptions of nuclear power have changed. The 1977 inquiry on the building of o plant to reprocess spent nuclear fuel at Windscale — now Selafield — was the first tangible sign of the effects this could have on the planning system.

That lasted 100 days, which at the time was considered o

But Sizewell was special -But Sizewell was special — in its bizarre venue in the Malttings concert hall near Aldeburgh, for example, and not least in the breadth of issues it tackled; from the future of Britain's energy policy to the safeyt of different types of nuclear reactor to the incidence of leukaemia in East Suffolk.

For the CEGB, however, it was simply too long. It diverted a considerable number of staff from other duties, and cost that from other duties, and cost tha board directly around £15m.

Even Mr Petrick Jenkin, the Environment Secretary, admitted e few weks ago that:
"There is a good deal of concern about the length of these inquiries."

That, of course, is only half the story: Many people who took part in the Sizewell inquiry as objectors harbour genuine doubts about its fair-

genuine doubts about its fair-ness --- in spite of its length and apparent thoroughness.

This, then, is the Government's dilemma. On the one

construction of advanced gas-cooled reactors used to be very brief affairs. Some in the 1960s big investments with far-reaching economic and political ramifications.

fications.

Environment Department officials make much of the fact that Britain, unlike West Germany or Jepan, has not had to many or Jepan, has not had to cope with large-scale civil disobedience in relation to civil nuclear projects. The inquiry system, and public faith in it, can take some of the credit

On the other hand, the Government is keen to keep de-

lays on big projects tn a mini-The dilemma is complicated

by the Government's twin role as both proponent of a project organiser of an inquiry into it. In the case of Sizewell, the Government never made any secret of its faith in the case for a nuclear programme domi-nated by PWRs. For this reason, one important environ-

which academic, objectors and officials are drawing from the Sizewell inquiry can be divided into three main categories:

Funding. All objector groups which took part in the Sizewell hearings have complained repeatedly of a gross imbalance between funds available to them and those at the dis-posal of the CEGB.

The objectors are estimated to

have spent a total of about ## Procedure. Most parties ## £750,000 (against the CEGB outley of around £15m). Few could Sir Frank was a model of im-

afford to employ barristers, ar essential part of Sizewell's
potentially intimideting courtlike proceedings.
Most found their resources and time stretched to the limit in trying to attend as many

SZE JEL POJER STATION PRIVATE ROAD NORWITTANCE TO PUBLIS

bearings as possible. Yet, from the first, the Government refused to provide any money to objectors to redress the balance — in spite of a barrage of appeals from prominent people such as Lord Justice Parker, the Windscale inspector, and even the CEGB

The Town and Country Plan-ning Association (TCPA), one of the leading objectors to the Sizewell project, argued at the start of preparations for the in-

quiry:

"It cannot be right that the resources svailable to promote the project should be vastly greater than those available to

nsted by PWRs. For this reason, one important environmentalist organisation, Greenpace, boycotted the proceedings, describing them as a "charade."

The lessons far the future which academic, objectors and officials are drawing from the Sizewell inquiry can be divided into three main categories:

• Funding. All objector groups which took part in the Sizewell hearings have complained repeatedly of a gross impossion to argue against.

Government to argue against providing funds, on the grounds that dividing the money among the various objectors would be an invidious task.

Procedure. Most parties

partiality, and that be intro-duced important procedural in-

These included the appointment of two barristers, led hy Mr Henry Brooke, QC, as counsel to the inquiry. They were able to cross-examine witnesses on hebalf of the inspector, and, at times, to raise points on behalf of objectors.

Ms Jennifer Armstrong, a former local government officiel who attended every day of the bearings, agrees that "in spite of his late arrival, Henry Brooke pleyed a major role in the inquiry. . . . Objectors on the whole welcomed Brooke's intervention."

A further novelty of the Size-well inquiry which may have enhanced its credibility was Sir Frank's decision to invite independent witnesses and to com-mission independent research on his own initiative.

on his own initiative.

The witnesses played a key role — particularly Sir Alistair Frame, chairman of Rio Tinto-Zinc. Sir Alistair, a former nuclear engineer, sharply criticised the CEGB's project management and in the proess provoked e major shake-up.

As Professor Tim O'Riordan, of the University of East Anglia, who is conducting an independent review of the inquiry, points out, that may be one of the most important fruits of the inquiry. inquiry.

• Length and complexity.

Given the issues involved, these factors seem inevitable. But there was a fundamental con-fusion about whether the inquiry was supposed to be about a single nuclear power station, or a series of them, or the future of energy policy as a

Professor O'Riordan believes that the inquiry ranged so broadly that it could not cover any subject in sufficient depth. "The public expectation of the inquiry will be higher than anything Sir Frank can deliver," be says. "It's not constitutionally set up to deal with major policy issues."

Ms Armstrong makes a similar point — that the issues raised by Sizewell were too large and numerous for one inspector, and numerous for one inspector, bowever diligent, to be able to digest. In a report prepared for the TCPA, she proposes the appointment of a panel of et least thre inspectors instead of one, as well as the strengthening of the inquiry's investigative powers, the funding of objectors and a reduced role for tors and a reduced role for

lawyers.

All this looks to be excessively strong meat for the Government, which is content to tinker with the existing system by refining guidelines for laquiries, especially at the preparatory stage.

It may well have concluded

that any attempt to tamper with it in any more fundamental way could create more trouble than it is worth.

### Scandals in Germany

### Where spying is all too easy

By Peter Bruce

HERR Hans Joachim Tiedge, former West German counterintelligence chief, is somewhere in East Germany, having defected just over a week ago. His former boss and friend, Herr Heribert Hellenbroich, bas been sacked. Tiedge, bowever, has not been dismissed. His salary is still being paid and he is still contributing to his old pension scheme. He is still e West German civil

The defector could be antomatically discharged for taking up residence abroad but West German democracy is founded on the premise that East and on the premise that East and
West are one country. In
order to stop Tiedge's salary,
the West Germans bave to put
him on a disciplinary charge—
which helps, partly, to explain
why Bonn is trying, through
East German contacts, to talk

Take the case of 60-year-old Sonja Lueneburg. Until a month ago she had been chief secretary to Herr Martin Bange-mann, Economics Minister, for 12 years end had become extremely close family friend.

She vanished a few weeks
before Herr Tiedge and is
probably also in East Germany. Frau Lueneburg is not the woman she claimed to be. In

the mid-sixties, a hairdresser in West Berlin, one Sonja Lueneburg, reported to police that she was leaving town (such reporting is routine bere) to go and live in France, in Col-A year or so later, Sonja Lueneburg returned 10 West Germany, reporting to police as she bad settled in two cities before moving to Bonn and attaching berself to the small Free Democrat Party (FDP), of which Herr Bangemann is

After ber disappearance, friends who knew the original Fran Lucneburg in Berlin, once shown pictures of the pleasant-faced woman in the Economics Ministry, confidently agreed she was not the person they knew.

now leader.

into West Germany by its neighbour, and the embarrassments Bonn regularly suffers when one of its own walks across the

German leaders bave been embarrassed — and on occasion have fallen from office — dozens of times since the end of the last World War by spy scandals. The bardest part for the West is that there appears to be very little Bonn can do about it.

Herr Tiedge hed drink and debt problems which were known about ond wblch probably could have been dealt with without pushing bim into defection. with without pushing bim into defection — assuming, that is, that he had not been a long-term mole. Possibly, too, the euthorities should bave weved photographs of Herr Bangemann's secretary under the noses of ber former friends in West Postic Lance in the control of the cont West Berlin e long time ago.

But no government bere would dare tamper with the automatic right of cluzenship West Germany accords oit East Germans. The "German question"—the artificial division of the court of the co division of the country after the war by the alltes — is bigger than the prevailing ideologies on both sides of the border. Being stuck with it, any West German government would land itself in bot water if it began to discriminate on the job market against the thousands of East Germans allowed to emigrate to the West. There were more than 40,000 last year and it is inevitable that many find their way into the civil service, industry end even the military.

The West is sold in the East as an open bouse and the West Germans, perhaps more than most, have to be seen to be pracmost, nave to be seen to be practising it. Some of the East Germans will be spies, speaking the same language, sharing the same history and often the same families, spying on West Germany is so easy—one politician recently likened it to shooting at ambulences. at ambulances.

For Bonn's allies, bowever, becoming resigned to the prob-lem is something that has to be relearned every time another spy trips over the border. Yet there is little they can do either, To stop sharing secrets with Bonn would involve isolating a The ease with which com-country which, because if its munist agents can be infiltrated location, bas a very special position in the Western alliance. The allies are stuck with West Germany, just as firmly as the Germans are stuck with each border are legendary. West other.

#### Joining the **EMS**

Sir. — In your surprisingly uncritical editorial on the European monetary system (August 21), you seem to have joined the growing chorus who view the scheme as the answer to most of the UK'a macroeconomic problems. There are, how-ever, at least two good reasons ever, at least two good reasons to caution against this false

tate instability from which the UK has un-donbtedly suffered is not a local European problem, but a global one. It is a result of a liberalisation of capital markets and the enormous and unwarranted capital flows which have ensued. It is a problem whose solution lies in concerted global action. not in the strengthening of the EMS or British membership. The evidence supports such a view—take any measure of exchange rate instability, and you will find that currencies within the EMS have experienced greater variability against both the dollar and the yen than they had in pre-EMS days. Indeed, sterling's performance in this respect outside the mechanism has been no worse than of those currenties at the contract of the cont

cies within it.
The recent "success" of the EMS is a direct result of the adoption by fellow European countries, and in particular the French, of German economic policies. It is this convergence of economic policy which has, not surprisingly, produced a reduced instability of exchange reduced instability of exchange rates within the EMS. Yet it is also these policies, pursued in the UK and in Germany, which have been responsible for the massive increase in unemployment which has occured, since 1981 at least

ployment which has occured, since 1981 at least. The Government's mistaken pursuit of crude monetary tar-gets has had disastrous effects on the exchange rate and the level of unemployment. Member-ship of the EMS would do little to remedy them. Eric Salama 41. Ramillies Road, W4.

#### The Laker journey

From the Chairman, British Airways

Sir.—As I bave been away, it was only yesterday that I had the opportunity to read Mr Campbell-Smith's excellent article (August 24) about the long and tortuous journey which eventually led us to the settlement of the Laker case.

Your correspondent tracked us with considerable skill and accuracy throughout the long negotiating process and only very occasionally did he lose

the scent.
One of these occasions was bis
belief that I and Colin Marshall

### Letters to the Editor

lina chairmen and chief execu-tives and therefore we were able to exert some external pressure on events. This is not a fact as neither of us has ever been members, nor have we been guests, at any of their annual

I mention this purely to correct any idea that we might have been able to engage out-side assistance from airlines in arriving ot a settlement with the liquidator of Laker. King.

8, St James's Square, SW1.

#### Productivity on railways

From Sir James Farquharson

Sir,-Mr A. Scott (August 21) draws unjustified conclusions from the chart said to show productivity on various railways (August 15). While the atatistic of train kilometres per atatistic of train kilometres per employee is useful for limited purposes it is of little value in assessing productivity. The saleable products of BR and other railways are passenger-kilometres and tonne-kilometres and it is the output of these per employee which should be used when examining productivity. (Sir) James Farquharson. Kinclune, Kirriemuir

### Japanese

Angus.

imports

From the Director-General, Paris Office, Japan Automobile Manufacturers Association Sir,—We read with interest the article (August 27) entitled "Jopanese stepping up vehicle part export."

We believe that Dr Hahn's accusations concerning the exports of Japanese automobile components, commercial vehicles, etc. were not made at vehicles, etc. were not made at the right moment especially just after Mr Nakasone, our Prime Minister, made declarations concerning the promotion of im-ports into Japan due to the trade balance, imports which also include sutomobiles and

automobile parts. Since Mr Nakasone's cam-

finential " friendships, through our membership of the "Conquistadores del Cielo," the exclusive American cinb for airover the past 10 years, "part missions" to North America and to Europe and we are now trying very hard and putting a lot of effort into trying to buy Wes-

We believe these comments have to be made if one considers the efforts the Japanese automobile industry as a whole is making now to improve imports into Japan. W. Shizume

33, rue de Ponthieu, 75008 Paris France.

#### Mapping seabed resources

From the President. Royal Institution of Chartered Surveyors

Sir,-This institution is concerned about the lack of incentives for private sector R & D investment in new technology for marine development. This problem threatens a sizeabla export market.

Several small but key groups

of specialists working on the technological frontier of seabed mapping are short of the resources and investment stimulus needed for research and development. Unusually perhaps, they specifically do not want extensive government funding, but they do need government to change the climate for their own investment in this area of R & D. I see no difference between the spirit of this requirement and the Government's current programme to cut red tape for small businesses.

small businesses.

Do we need more maps and charts and mora sophistication outside the marine navigation and defence sectors? Prompted by Lord Gregson's House of Lords inquiry into marine science and technology, the RICS indentifies such a need. Not only the UK, but every maritime nation will require seahed resource mapping to deal effectively with the eventual but inevitable introduction of exclusive economic duction of exclusive economic zones (EEZs) extending 200 miles offshore. The U.S. has recognised the same need and is doing what the UK should do -rapid picture mapping of the seabed for resource potential y occasionally did he lore scent.

seent.

me of these occasions was bis left that I and Colin Marshall developed strong and "in
developed strong and "in
Since are Marssone's campaigness to resource potential surveys in its own waters. The worry is that they are using the been asked by the Japanese British built GLORIA system of Covernment to do our best to that we can neither afford to Oxford.

bring into full production nor deploy for our own benefit.

The same kind of problem dogs the delimitation of the world's EEZs a massive task which will have to be accomplished by relying on satellite position fixing systems. The for-mer UK lead in navigation and position fixing systems may soon be entirely lost to satellite posi-tioning based on American technology. Here is a case, if ever there was, for o UK or European satellite positioning facility to be included in the European Space Agency pro-gramme: with this the privata sector could develop the next generation of UK positioning technology.

Another problem is that R & D contracts let to tha private sector by the Ministry of Defence are subject to the restriction of intellectual property rights clauses. In such cases, the Government's "ownership' of technological developments often inhibits further development by the R & D agency for commercial odvance and so often fails to bone the cutting edge of a British industry of considerable potential. This kind of restraint causes, we know, certain research to be repeated in defiance of sound economic

reason. These isolated. instances are not isolated. I would make a serious plea for improved incentives for private sector invest-ment in marine technology R & D. allied to a judicious use of limited government priming finance to provida certain basic

expend UK marine technology. improve its export potential garnish the already healthy contribution surveyors make to invisible export earnings, and provide a first class example of government's ability to stimu-late private enterprise in economic fashion. Paul Orchard-Lisle, 12, Great George Street, SW1.

#### Unfocused by examinations From Dr P. Dickson

Sir,-The Lombard column Sir.—The Lombard column recently wanted us to stop the time-wasting practice of learning foreign languages. Now (Michael Prowse, August 19) it wants our children to go beck to the ideas of the 1830s, and enjoy a progressive education untroubled, and unfocused by according to the columns of the statement of the second by according to the second by a second ed, by examinations. Michael Prowse advances the breath-taking argument that the looser taking argument that the looser American educational system is the cause of greater American economic success. Has ha talked to any Americans lately about American education? He is right in saying that English arts students discontinue arts students discontinue numerate disciplines too early. But that is a different matter.

### Svenska Handelsbanken

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NOTICE IS HEREBY GIVEN that pursuant to Condition 4 (b) of the Notes, US\$4,015,000 principal amount of the Notes has been drawn for redemption on 30th September, 1985, at the redemption price of 101% of the principal amount, together with accrued interest to 30th September, 1985.

The serial numbers of the Notes drawn for redemption are as follows:-

	67	1000	anne	21.67	4000	5099	5974	6779	7854	9390	10120	11233	12102	12030	14121	15796	16700	17760	19336	10200
	53	1098	2026	3147	4068															
	59	1123	2090	3151	4131	5112	5981	6783	7949	8997		11236								
	78	1160	2135	3160	4146	5113	5984	6824	8017	9011		11256					16310	17350	18377	19454
	167	1187	2136	3166	4198	5130	5990	6857	8038	9063		11275								
	179	1212	2137	3179	4209	5155	6037	6862	8044	9100	10321	11314	12287	13164	14305	15339	16388	17427	18445	19499
	225	1225	2142	3214	4258	5194	6092	6917	8131	9114	10325	11343	12292	13222	14356	15406	16408	17487	18469	19503
	225 227	1258	2156	33t4	4282	5203	6093	6957	8241			11386							18523	
	238	1259	2213	3345	4305	5241	6107	6995	8254	9240		11409			14367					19551
	256	1276	2225	3391	4307	5256	6108	7002	8264	9244		11471								19601
								7052	8269					13390						19636
	330	1333	2245	3407	4311	5285	6125			3723	10402	11472	12344							
	334	1377	2304	3430	4320	5307	6162	7101	8294			11502								
	381	1451	2371	3477	4324	5338	6195	7117	8301			11544								
	400	1475	2403	3495	4370	5377	6206	7160	8324	9334		11560								
	448	1476	2440	3509	4390	5382	6209	7169	8364			11592								19720
	455	1479	2443	3530	4469	5444	6227	7254	8398	9402	10537	11598	12425	13599	14566	15642	16594	17612	18764	19741
	458	1493	2451	3531	4509	5449	6236	7270	8400			11612								
	485	1548	2458	3535	4523	5451	6238	7273	8424	9476	10570	11623	12465	13602	14632	15682	16618	17651	18875	19789
	582	1549	2471	3536	4531	5486	6286	7274	8426			11626								19799
	585	1555	2480	3556	4562	5492	6357	7286	8466		10609				14642					19807
	596	1581	2504	3581	4586	5509	6370	7416	8489			11689								19844
	632	1585		3600		5510		7422	8534	9597		11737		13687						
			2537		4598		6372	7425	8559			11740		13694						19946
	688	1601	2582	3626	4622	5609	6392					11750			14692					19980
	693	1605	2591	3638	4626	5625	6411	7442	8570											
	698	1660	2594	3649	4637	5639	6446	7452	8601			11756		13731						19997
	701	1679	2610	3690	4645	5674	6458	7461	8621			11801								
	758	1663	2613	3710	4674	5688	6470	7504	8660			11828						17870		
	782	1692	<b>2622</b>	3733	4688	5704	6474	7575	8698			11856			14845				19061	
	813	1703	2656	3760	4711	5711	6487	7601	8715			11922								
	861	1741	2671	.3770	4719	5728	6541	7618	8732	9816	10822	11967						18017		
	869	1813	2673	3779	4828	5749	6574	7622	8733	9885	10835			13840						
	875	1852	2679	3879	4846	5765	6592	7626	8744	9903	10870	11979	12733	13844	15015	16090	16954	18059	19113	
	884	1881	2687	3899	4851	5776	6612	7651	8763	9937	10940	11992	12758	13931	15056	16140	16971	18062	19t23	
	923	1907	2715	3915	4891	5784	6623 -	7656	8788	9989	10945	11997	12774	13936	15085	16147	16973	18064	19127	
	938	1911	2725	3932	4911	5803	6647	7702	8792	9990	11012	12005	12784	13949	15086	16186	16997	18131	19150	
	952	1922	2802	3948	4912	5825	6669	7704	8837		11021	12067								
	954	1935	2805	3985	4930	5828	6676	7706	8851			12095	12911	13977	15144	16201	17044	18175	10160	
	959	1951	2849	2702	4949	5872	6698	7707	8853			12096								
		1961		3986		5890	6727	7740	8869					13990						
	993		2897	3997	4966	5903	6762	7741	8885			12155		13000	15744	16775	17142	18270	10100	
	029	1987	2923	4011	4989	5911	6769	7763		10108										
	036	1998	2946	4014	5028			7851												
-	1065	2024	3034	4041	5037	5938	6772	1001	9922	10113	LILL	12112	13014	14112	13270	10523	1/130	10310	17202	

On the 30th September, 1985, the said redemption price will become due and pavable upon each Note to be redeemed, together with accrued interest from 20th February, 1985 to 30th September, 1985 amounting to US\$378.13 per US\$ 5,000 Note. On and after that date, interest on the said drawn Notes will cease to accrue.

Payment of the Notes to be redeemed will be made on or after 30th September, 1985 upon presentation and surrender of the said Notes, with all coupons appertaining thereto, at the office of any of the Paying Agents

> Bankers Trust Company, London Principal Paying Agent

30th August, 1985

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### **FINANCIAL TIMES**

Friday August 30 1985



Our East Europe Correspondent explains how hard times have broadened horizons

### Albania peeks cautiously out of its shell

French Foreign Ministry is due in with Tirana, is to develop ferro-Treams next mooth. He is sure to nickel processing in this mineral find – as his Italian counterpart did in May – that Albania is eager to increase trade links with its western trying to position themselves for However, neighbours. Economic necessity is the increase on last year's tiny slowly pushing Europe's most iso£4.6m (\$6.4m) worth of trade with slowly pushing Europe's most iso-lated and isolationist country out of

Mr Ramiz Alia, Albania's leader since the death of Enver Hoxha in April, this week made clear the cau-tious approach Albania is taking economic position of a country that when he said that moves to broaden stopped publishing proper trade fig-ties with the outside world would ures in 1964 and records its perfornot mean diplomatic relations with

Moscow or Washington.

A breakthrough with Britain would depend on resolution of the long-standing dispute over Albanian gold held in the Bank of England. It has been held since the second world war pending Albanian compensation for British warships struck by mines off the Albanian

coast 39 years ago.

Partial emergence is already evident. Albania is forging new road, rail and sea links with Greece, Yugoslavia and Italy respectively. The Italians are to help Albania to reverse declining oil output, and are Officials do not affect pu negotiating barter of Italian ma- be worried about recently declining

Albania, which they feel should follow any settlement of the impasse No outsider, even after visiting

mance merely in percentage increases on second world war levels. But a picture of some economic

distress emerges from the new official emphasis on the need for greater efficiency and even profitability: the recent exhortations by Mr Aliz to petroleum industry workers to reverse the fall in oil and gas output the visible obsolescence of many trucks and tractors; and shortages of some foodstoffs, parti-cularly meat. A recent search of rs' shops in central Tirana revealed only one with meat to sell:

Officials do not affect publicly to ment and some consumer goods for Albanian raw material, chiefly chrome and nickel chrome and nickel.

A Greek company is to build a chromite processing plant, and companies from West Germany, est in Europe) and is not "fictitious"

on borrowing abroad mean several distinctive aspects of the Hoxha le-gacy may have to be reversed if the nomy is to improve:

 Despite the state's tight control and endless slogan exhortation of workers to work harder, absenteeism is rising. In the first half of 1984, for instance, some 350,000 workdays were lost, with an average of 2,200 workers missing each day.

In the name of pure Marxist egalitarianism, the maximum wage differential between a ministry head his workers is set (by law) at 2:1. Laudable though that system may

Albania has made great strides in per cent 40 years ago. Unlike other child's dress for 11 leks, a man's East European countries, however, shirt for 45-60 leks and a bottle of it is committed to eliminating all the beloved raki for 12 leks.

year into state farms, according to s manager of the Ksamil state farm near Saranda

The loss of personal plots (without compensation) is offset by the greater wage security that state farms provide, Mr Mihal Boboli explains at the Dropu co-operative near Gjirocaster, which is due to became a state farm in two years'

He sees the nationalisation as a step forward. But somewhere in the process, certain food production, particularly of meat, seems to be

and one of his civil servants, or be-tween an enterprise director and Albania that "there has not been a single price rise in any commodity" (1984 official handbook). Any gains be oo. social grounds, it would be from productivity have been given surprising if it did not sap economic in lower prices rather than in high-incentive.

The basics of life are cheap: a two-room-and-kitchen flat rented agriculture, particularly by irrigating as much as 56 per cent of cultifor 40 leks (\$9) a month, a 2kg loaf vated land, compared with only 10 for 5 leks, 1kg of flour for 5 leks, a

But a bicycle (probably Chinese) That is being done through the costs about a mooth's salary of progressive transformation of farm 600-700 leks and a washing machine co-operatives, in which members or refrigerator or television (as like-

in the sense of being based on for-eign credit (which is banned by the stock, into state farms where all is 1976 constitution, issued at about property.

retain private plots and a few live-stock, into state farms where all is Albanian-made) costs the average Albanian five or six months pay.

Albania five or six months pay.

Co-operatives, which still cover most of Albanian farmland, are being transformed at the rate of 20 a boom and self-denying urdinance on borrowing abroad many state farms, according to self-more to foreign-made goods is evident, and if Albania is to open itself-more to foreign-made goods is evident, and if Albania is to open itself-more to foreign-made goods is evident, and if Albania is to open itself-more to foreign-made goods is evident, and if Albania is to open itself-more to foreign-made goods in the foreign made goods is evident, and if Albania is to open itself-more to foreign-made goods is evident, and if Albania is to open itself-more to foreign-made goods is evident, and if Albania foreign-made goods is e its prices some relation to the out-side world, then it would seem that prices of domestic goods will have to rise, not fall.

Nowhere is the need for Albania

to open up to foreign trade more evident than in replacing its largely geriatric stock of machinery and vegeriatric took of machinery and vehicles. The country's largest single factory, Tirana's Enver Hoxha Auto-Tractor plant, employing some 5,000 people, is almost entirely devoted (apart from limited production of an Albanian-made tractor) to making spare parts for other coun-tries' vehicles, mainly the fleets of trucks, tractors and rail wagons supplied by China from the mid-1980s to the mid-1970s - but also for some tactors dating back to 1950.

At the 1939 Paris Exhibition, Albania was represented by eggs and beans, according to a guide at the Tirana Museum of Economic Achievement. This was a shame, he said. Equally, however, it would be a shame if a policy of autarchic self-reliance were to keep it an in-

dustrial museum-piece. Albania clearly has exportable oil, chrome and nickel with which to buy technology abroad at a lower real cost than it can possible make it at

### **Mexico** warns on

new loans

phasised the difficulties countries such as Mexico were having in resuming voluntary borrowing in the international capital markets - a key element in the latest restructur

Initially the debt crisis had been perceived as a "cash flow problem" which could be worked out between the banks and the countries concerned, but Sr Silva-Herzog emphasised that there was "clear evidence that we are faced with a systemic problem far beyond circumstances peculiar to any individual develop-

While his country had taken drastic measures" to adjust to the debt crisis, the minister warned that "we cannot continue to request sacrifices from the Mexican people without offering in exchange a bet-ter future for them." He stressed that for economic, social, political and ethical reasons. Mexico had to be able to "grow out of its debt prob-

He noted that although the restructuring of Mexico's debt repayments was a "very important step,"
it was not the solution to the debt crisis. "Co-operation between banks and debtors will no longer be enough. It will not yield the right combination of growth and debt

"The formula which ensures that we can resume and obtain adequate growth levels and service our debt has yet to be agreed on," said the minister. He emphasised that the signing of the latest multi-year restructuring rested on two fundamen-tal principles - the full payment of

"If one of the assumptions does not hold, neither will the other, said the minister, who called for more efficient, more automatic, less discretionary arrangements." Outlining his "blueprint" for the solution to the debt crisis, Sr Silva-Herzog said that multi-year restructurings should be coupled with the availability of new money on a vo-

luntary basis or new money commitments by lenders.

# lack of

Continued from Page 1

the more the market looks at its cash balances of £2.5hn and its declining production curve and de-mands that yield must stand in place of growth. Poor BP spent some £2.4bn on its capital account, raised its dividend and charged every sort of exploration write-off only to end up cash positive in the mand hitting individual plants, this rent year earnings is s first half, and the new treasury op-time in Oklahoma. Any downturn - to pull in the crowds.

Yet the more BP ups its dividend,

Yesterday's equity market was having such fun finding candidates for takeover that it could scarcely

spare a thought for BP's sturdy sec

ond-quarter performance. Yet un-derlying growth in BPe net income

of 14 per cent over the first quarter

performance indeed.

BP dividend profit centre from its market opera-

THE LEX COLUMN

Discounting the

**Blue Circle** 

and a full 20 per cent increase in the interim dividend, certainly did their bit for the 30-share, which The British financial institutions pierced 1,000 for the first time since had so prepared themselves for yet early June. In raising BP 12p to 570p, the market may have had an another disappointing Blue Circle statement that a fall of only £2.6m to £45m pre-tax prompted a collec-tive sigh of relief. Yet it would be rash to suggest that the 32p jump in Blue Circle's shares to 523p indi-cates that a more fundamental shift in stock market sentiment is on the eye to firmer spot prices; more probably it was restoring 9 per cent yield on the most generous assump-tions for the final distribution. Whether the market is right in demanding a BP yield exactly midway between Shell and gilt-edged is a moot point. After all, BP has shown underlying earnings growth at a higher level than Shell over the

For the prime reason why profits fell less than expected was a nine-fold leap in the contribution from Mexico to £9m. Clearly the group last 18 months, and second-quarter owes much to a real surge in de-mand both from Mexico and from net income of £457m on a replacement cost basis was a very good the southern U.S. But it has had Naturally, a cheaper dollar cut lo-cal-currency feedstock costs for Mexican profits on this scale before (in 1981) only to see them vanish. And, while the Mexican profit-andboth refining and chemicals, while

cracking margins (especially et So-hio) have recovered now that fuel oil prices have fallen back with the end of the UK miners' strike. Still, a loss account looks good even on translation, Mexico still pays no To be fair, Blue Circle has tried 90 per cent improvement in BPs downstream operating profit over the first quarter shows the benefit should see a strong increase in UK cement profits, with the two plants of tackling overcapacity in Europe while Sohio is reaping excellent reon stream against the background turns on the refineries and gas stations it bought from Gulf. In purely operating terms, BP has gone a long way towards currency

of a possible pre-general election rise in public-sector construction spending. However, any likely in-crease will come from a low base with this year's UK cement profits running well behind those of 1984. In the U.S., Blue Circle has established a broad regional base follow-

Who knows

what the

future holds

interest charges and bumping up the interest receivable, looks destined to turn into an embarrassing full-year profits fixed to turn into an embarrassing full-year profits fixed to turn into an embarrassing full-year profits Assuming full-year profits of £120m and a 30 per cent tax charge. the shares trade on a multiple of tions. It seems there is no just over six. This seems high substitute for oil. provement in earnings quality

omes evident. Asda MFI

Having failed to convince most people of the excitement to be gained from merging two large ma-ture businesses, Asda has now published figures that show both legs of the newly-combined group in some-thing less than the most flattering light. Admittedly, the full-year fig-ures of £119m before tax for Asda and of £46.1m before merger costs for MFI represents progress over the previous year. Yet both pertners had suffered self-inflicted damage m the second half - MFI with an illjudged range of kitchens, Asda with a disastrous promotional lottery— as well as suffering from tighter

market conditions at large. Despite the group's taboo against giving away anything about current trading, it seems that the worst is now over, after a fall in Asda's likefor-like volumes in the second half. hard to make up for the low quality MFTs: breakneck physical expan-of these earnings by investing heav son will continue to depress sales ily in the UK and the U.S. In 1986, it densities this year, but at least the revamped and reglued kitchens are back on track, while the develop-ment of carpet sales in parallel with Allied Carpets should add on a significant amount of turnover this

In a year or two, a redesign of the Asda stores and increased use of own-label merchandise should restore momentum, giving scope for as rapid growth as any in the sector. Meantime, the institutions may be ing the £120m acquisition of Atlan-finding the increased number of tic Cement. But, as the flat perfor- shares a bit indigestible; at 138p, mance in these results shows, the down 8p yesterday, a stretching group is vulnerable to swings in demand hitting individual plants, this rent year earnings is scarcely going

### **British** Rail takes hard line

By David Brindle in London

BRITISH RAIL yesterday made clear its determination to press home its advantage and offer no quarter to the National Union of quarter to the renount and Railwaymen in the aftermath of the vote by the union's guards ainst national industrial action over driver-only trains.

Mr John Paletie, the state-run railway's managing director for personnel, told the union's leaders that the 245 guards dismissed for taking unofficial action would not be reinstated until the union pentation of driver-only

operation. That means the guards will remain dismissed at least until the union reconvenes its delegate conference to consider rescinding its policy of opposition to productivity changes.

The conference is expected to take place in about 10 days' time, after the Trades Union Congress conference next week.

Mr Jimmy Knapp, the union's general secretary, reacted angri-ly to British Rail's uncompromising stance, saying refusal to rein-state the guards at this stage was "throwing away a golden oppor-tunity to get the railways moving

The weakness of the union's position became fully apparent yesterday, however, as the railways began to move again re-

Even the militant guards at London's Kings Cross station voted overwhelmingly to work train units converted for future driver-only use from midnight

Mr Knapp yesterday offered BE agreement to resume driver-only trials on three freight routes, subject to reinstate of the guards. It was evident, however, that BR was intent on pushing through far more wide-ranging implementation.

That will severely embarrass both the NUR and the train drivers' union Aslef when BR goes ers innon asser when his goes ahead next Menday with plans for driver-only "merry-go-round" coal trains to power stations two depots in the England's East Midlands. The two depots have a total of 151 drivers and

### Zia puts Benazir Bhutto under house arrest in Karachi

BY JOHN ELLIOTT, RECENTLY IN KARACHI

dom in Pakistan by placing the 32year-old daughter of the country's present regime. Late Prime Minister under house Her arrest yes arrest.

Restriction to her Karachi home will terminate the clandestine political activities Miss Bhutto has been conducting as acting chairman of the banned Pakistan People's Party (PPP). She has been receiving delegations of visitors officially offering condolences for her dead brother, whose body she took to the country nine days ago.

Pakistan, and her family has considerable political appeal. She has received a massive welcome since arriving last week, despite the jeal-

SA business

leaders urge

Continued from Page 1

political talks

Africa's troubles are destabilsing fi-

nancial markets or the banking sys-

tem generally. Central banks are therefore only likely to act if their

governments regard economic dis-

array in South Africa as carrying

One fear now is therefore that

any package which does emerge will be too weak to stem the capital

outflow caused by short-term debt

repayments. That could eventually

force South Africa to declare unila-

at 37/43 U.S. cents and by another

at 40/46 cents, with dealers saying

that a clear trend for the currency

would emerge only after the reopening of South African mar-

There remains some confusion

about the status of transactions concluded before Wednesday's clo-

sure of markets, but due for settle-

much broader dangers.

gime yesterday put an end to Miss and fears that her primary motive Benezir Bhutto's nine days of free is to wreak vengeance for her late is to wreak vengeence for her late father, who was hanged by the

> Her arrest yesterday, immediateare going to do it?"

Miss Bhutto is potentially the this year, would arouse political nost powerful opposition figure in passions and cause disturbances.

GENERAL Zia ul-Haq's military re- ousy of some opposition leaders, lice, Last night the house was sur-

ly after Pakistan's three-day Moslem public holiday, surprised many observers. But in a telephone interview on Monday she had said: "We should know in a week's time if they are going to arrest me. Why should they wait any longer if they

The Government had been worried that visits she planned to make to the Karachi homes of two political aides, who were hanged earlier When she refused to cancel the visits, the Bhutto family's seaside home in Karachi's prosperous Clif-

rounded by 16 armed policemen, backed up with six trucks of re-serves. The telephone was not being answered and no callers were

Opposition leaders condemned the Government's action and said President Zia was trying to cause problems that would give him an excuse not to end martial law soon. This is the second time Miss

Bhutto has been placed under house arrest. She was originally arrested in March 1981, a week after the hijacking of a Pakistan airliner for which a guerrilla group headed by her two brothers claimed responsibility. Early last year she was released

to go to Europe for treatment for a serious ear infection and to be with her mother who is ill in Paris. ton area was stormed by armed po-Why Zia acted, Page 3

### **UK** bankers introduce uniform dealing terms

BY ALEXANDER NICOLL IN LONDON

struments: currency options, for-ward rate agreements (FRAs) and movements in interest rates. interest-rate swaps.

The creation of uniform standards, which banks in the UK are due to adopt from Monday, will enable them to know precisely on what terms they are dealing with each other, and to svoid costly and markets' development.

terally that it was freezing such repayments, effectively defaulting On European foreign exchange markets trading in the rand re-There are also hopes in London mained at a virtual standstill, with several months by three committhe handful of banks willing to tees, will set worldwide standards trade quoting large spreads between their buy and sell prices. as well as encouraging a more ac-At the end of London trading the rand was quoted by one major bank

Mr Juhn Heywood of Hambros Bank, who headed the options committee, said differences between currency options offered by individ-ual banks to each other or to corporate customers had hampered market liquidity. The market in bank-offered uptions is already greater than that in traded options oo U.S. and European exchanges, be said, and the new terms will increase its

THE BRITISH Bankers' Association (BBA) yesterday published as a means of protecting banks and standardised dealing terms designed to toster the already rapid while the parallel markets in FRAs growth of three financial market in- and swaps have their origins in

Key rates, fixed daily based on quotes from principal market participants, will be used for settlement in all three markets. Londoo Interbank Currency Options Market (Licom) exchange rates will be set for four currencies against the dollar. Interest rates in five currencies will be fixed for the FRA and swap marbank offered rates (Libor) used as a

benchmark in many other markets. Each of those daily BBA fixings will be shown on the screens of Telerate, the U.S.-based information system, rather than on those of its UK rival, Reuters.

Central banks, including the Bank of England, have been ex-amining the risks posed to banks by the development of the new mar-kets. The options terms could help to reduce such concerns, since the "net cash settlement" envisaged means that a bank that sells an op-tion stands only to lose the difference between payments due between it and a counter-party, rather than the entire underlying amount

# servicing capacity."

He also said that capitalisation of bank interest paymeots should also be considered and multilateral financial agencies should be called on to play a bigger role both through their enlarged capital bases and "as guarantors of commercial loans through a more

To find out. watch during the commercial breaks on the 10 o'clock news on ITV tonight.

### World Weather

### **CGT** protest focuses on Renault

FRANCE'S Communist-led CGT back into France and thus deprive union dramatically stepped up its French workers of jobs. campaign against the Socialist Government's economic policies by blocking the Champs Elysées in

Communist workers from the Re-ce the government to take repres-nault group used new cars they had sive measures that will further nault group used new cars they had seized from a Renault storage centre to block Paris's busiest boulevard from early in the morning. The with demands from M Henri Kra-action was in protest against Re-sucki, the CGT leader, for further nault's shipping to Spain equipment for the manufacture of cars in the group's Spanish plants. The CGT claims that the cars are imported tensive rationalisation plans, is the

blocking the Champs Elysées in action by the CGT in the steel, car. Paris for four hours yesterday shipbuilding and consumer goods industries. The union's aim is to for-Yesterday's action also coincided industrial disruption this autumn. Renault, where the new chairman M Georges Besse is carrying out ex-

focus of the CCT attack. Over the last few days, CGT workers at Renault have been attempting to prevent the new equip-ment from leaving the Douai plant in the north and being sent by rail

When they failed to halt it at the factory, they continued through commando raids to harass the train's journey through France. The train finally cleared the Spanish border yesterday morning after a

Elysee link to Greenpeace surveillance, Page 2



### SECTION II - COMPANIES AND MARKETS

### FINANCIALTIMES

Friday August 30 1985



The Market Leader

### Healthy growth gives Amev impetus

By Laura Raun in Amsterdam

AMEV, the third largest Dutch insurance company, is launching an ambitious capital-raising pro-gramme following robust growth in first-balf profits and an increased interim dividend :

Aegon, the second biggest insurer, also posted higher first-half earnings and lifted its interim divi-dend, rounding out a healthy pic-ture of the Dutch insurance industry. Earlier this week, Nationale-Nederlanden, the leading company, raised its dividend on modestly higher net income. Improved profits for all of 1985 are forecast across the board.

Amev is planning a one-for-ten rights issue of FI 11.9m (\$3.8m) in September, with the issue price still to be announced and a preferred share issue of FI 9.57m nominal val-ue, to be placed with Munich Reinsurance. The proceeds of the capital expansion will be used to strength en shareholders' equity in line with general expansion.

The Utrecht-based insurer also

announced a four-for-one share

The company is considering a Eurodollar loan to consolidate short-term debts associated with recent acquisitions, including a greater stake in the Bilbao group of Spain, Western Life Insurance of the U.S. and a stake in Ka Wah Insurance of South-East Asia.

In the first half, net income spurt-ed 20 per cent to F1 137.3m on favourable exchange-rate movements and the consolidation of

### results at Statoil

By Fay Gjester in Oslo

STATOIL, Norway's state-owned oil group, yesterday reported an 11 per cent rise in net profits for the first-half of 1985 to NKr 1.1bn (\$133.5m) from NKr 985m, on turnover that was up by NKr 3.6bn to NKr 19.8bn

Profits before tax and year-end appropriations were NKr 6.1bn, compared with NKr 4.4bn that was mainly due to increased production from the Statfjord field, and the strong U.S. dollar.

Investments during the six months totalled NKr 2.7bn, mainly linked to development of the Stat-pipe gas gathering system, the Statfjord C platform and the Gull-

faks and Oseberg fields.

Crude oil bandled by the compa ny in the period totalled 8.3m cubic metres, (52.2m barrels). Eighty-two per cent of that came from Statoil's share of Statfjord. Of the total, 1.4m cubic metres was refined at the West Norwegian Mongstad refin-ery, operated jointly by Statoil and Norsk Hydro. The rest was sold to customers in Western Europe and

### Renison mines does better in second half

By Kenneth Marston in London

RENISON Goldfields, the 49 per cent-owned Australian arm of Consolidated Gold Fields, has recovered in the second half with net profits up to A\$23.5m (\$16.7m).

Net profits for the year to June 30

compared with A510.2m in 1983-84, and were up to 35.6 cents a share. The dividend remains the same at

The latest earnings include ex-traordinary profits of A\$10.8m after tax charges of A\$1.21m, compared with a credit of A\$2.04m a year ago. The better performance reflects the benefits export revenues respect from the devaluation of the Australjan dollar, while profits from mineral sands have been boosted by a higher demand for the product.

Trading conditions bave improved in Australia and Papua New proved in Australia and Papua New Guinea. Overall there has been the benefit of tight cost control. Matters have also been helped by agree-ment for the continuation of opera-tions at the Mount Lyell copper mine and a reduction in that plant's

operating losses.
On the other hand, output of the hig Renison tin mine in Tasmania was restricted to well below capacity because of tin export controls imosed by the International Tin

Renison says the improved trading performance should be maintained in the current year when the new Pine Creek gold mine and the upgraded Wau mill will be commissioned. Past losses at Mount Lyell are not expected to recur.

### Sally sells tankers and ousts chairman in bid to cut losses

BY OLLI V. VIRTANEN IN HELSINKI

with a major presence on cross-Channel ferry routes, has ousted its Finland and Sweden, has not been chairman and sold three tankers as left untouched. The company sold

the company came under the con-trol of the Union Bank of Finland, its largest creditor.

Sally's problems stem mainly from the collapsed tanker market. Its expansion into the Caribbean cruise market also produced losses. The cross-Channel Viking Line has been a relatively good investment. Last year, the group losses, excluding the ship sales, rose to FM 140m (\$23.7m) on turnover of FM

Sally has sold a number of vessels in the past few years in an ef-

SALLLY, the Finnish shipping line fort to reduce losses. Even its mainpart of a broadly based attempt to get the group back to profits.

Mr Sven-Erik Johanssen, the outgoing chairman, was the last remaining board member of Sally's founding family. Earlier this year, the company has undertaken to

The company has undertaken to invest the money from the Norwegian sale in projects in Ramsgate, south England, where it runs its own large port. According to some reports Sally's UK subsidiary will soon sign an investment contract worth around \$7m.

The Viking Line operates passenger ferries between the Ramsgate port and Dunkirk in France. This bas turned out a success for the company. During the first seven months of this year the line had 485,000 passengers, up 47 per cent on last year.

### Mannesmann raises first-half earnings

MANNESMANN, the West German covery last year, lifting net profits engineering group, reports improved sales and profits for the first tained DM 4 a share dividend. half of 1985.

years has been hit by heavy losses on steel pipe making, says turnover for the half year rose by 16 per cent to DM 8bn (\$2.9bn), with profits also moving ahead.

Domestic turnover rose 19 per cent while foreign sales gained by

chanical engineering unit saw sales group, has improved interim sales decline in the half-year, although by 15 per cent to DM 875m. It says its older books improved by around profits for 1985 as a whole will be

KHD, the diesel engines and agri-

The company, which in recent cultural machinery group, looks for-ward to a satisfactory result for 1985 following an increase from DM 2bn to DM 2.4bn (\$872.4m) in sales for the first six months.

The company explains that acquisitions accounted for almost all of Output lifts 14 per cent. Pipes turnover rose by the sales gain. It says that turnover for the whole of 1985 should rise 25 per cent and the division made a profit for the six months, against a above last year's DM 5.6bn from loss of DM 218.5m for the whole of which KHD returned net profits of DM 60.2m.

The Mannesmann Demag me- Varta, the battery and plastics 2 per cent. satisfactory. Net profits totalled Mannesmann staged a strong re- DM 38m (\$13.8m) in 1984.

### **Boskalis to convert** its debt into equity

BY LAURA RAUN IN AMSTERDAM

guered dredging company, said yes-terday that it hoped to reduce the nominal value of its outstanding share capital and convert its debt into equity in a bid to restore financial health.

The Sliedrecht-based company

Protracted negotiations over the debt, which exceeds FI 765m creditors and its bond holders since

one request for bankruptcy.

The outstanding share capital with approximately 3.38m shares unresolved.

BY OUR FINANCIAL STAFF

GRUNDIG, the West German audic-video group which has been heavily in the red for some years,

expects to more than halve losses

The company, which came under the management of Philips of the Netherlands in 1984, forecasts a

loss of about DM 80m (\$29m) for

this year, down from DM 180m in

Speaking at a news conference in

West Berlin, Mr Hermanus Koning, managing board chairman, real-

for the year ending March, 1986.

BOSKALIS, the financially belea- outstanding. The share price on the Amsterdam stock exchange has dropped about FI 5 in the past two months to around FI 18, although In its

plunged into difficulties last year when several debt-strapped coun-(\$192m) have been conducted with tries such as Argentina, Nigeria Boskalis' 53 Dutch and foreign bank and Algeria failed to make payments on contracted work. Algeria the beginning of the year. The com-pany has had an indefinite morato-ments on contracted work. Algeria rium on the bank debt since Febru-ary and has successfully fended off one request for bankruptcy.

recently has agreed to resume pay-ments on a pipeline project, Boska-lis said earlier this week, although The outstanding share capital the biggest problem - Argentine has a nominal value of FI 33.75m, debt - remains tangled and

Grundig expects to halve losses

### expects sharp rise in profits By Kevin Done in Stockholm

Sonesson

SONESSON, the Swedish light en-

gineering, pharmaceuticals and medical equipment group expects profits (after financial items) of up to SKr 520m (\$63m) this year compared with SKr 373m in 1884. Profits per share will fall slightly, however, from SKr 9.95 per share last year to SKr 9 as the forecast includes a significant contribution from Gambro, the medical equip-ment group, which has been consoldated for the first time this year

following its acquisition in January. Without the Gambro contribution, profits for the year are expected to rise by about 20 per cent. Sonesson now owns 57 per cent of the votes in Gambro and 33 per cent of

the equity.
It is planning to float part of Leo, its pharmaceutical subsidiary, on the Swedish stock market during the autumn and intends to offer Sonesson shareholders the right to purchase one Leo share for every 10 onesson shares. Sonesson will retail a majority stake in Leo.

Sonesson group turnover rose to SKr 3.18bn in the first six months from SKr 1.91hn in the same period last year. Taking account of acquisitions and disposals group sales ncreased by 15 per cent.

Group profits after financial items rose to SKr 218m from SKr 40m a year earlier.

### Novo faces U.S. class action suit

NOVO, the pharmaceuticals and enzymes manufacturer, has had a hare class action suit filed against it in New York concerning the propriety of disclosures in the summer of 1984 allegedly covering projected 1984 sales and earnings.

Novo said it believed the action to be without merit and said it would defend it to the fullest.

creases in sales and earnings, there was a slowdown in 1984, which had an adverse effect on the price of Novo shares, listed in New York as

First half sales in 1984 increased by 12 per cent, while net earnings were down by DKr 9m to DKr 320m

In its first-half interim statement issued in August last year, Novo said: "Current indications are that the development of sales and earnings will improve in comparison with the first half."

Full year sales increased by 12 per cent to DKr 3.7bn, while pre-tax earnings declined from DKr 95m to DKr 918m and net earnings from DKr 704m to DKr 885m.

Novo said yesterday that it had noted that share class actions under Section 10b of the 1934 Securities and Exchange Act were not unusual in the wake of significant changes in the share price of a company.

The job losses in Germany are part of total job cuts of around 7,000 planned by Grundig worldwide. The

company recently announced it also planned to eliminate 1,000 jobs in Portugal and an unspecified num-

firmed that Grundig would move older than 55 would be offered early back into some sort of profit for the retirement.

### Struggling to absorb \$700m of issues

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THE EUROBOND market was last night struggling to absorb \$700m in new fixed-rate paper, all of it launched on terms that traders regarded as aggressive.

The sudden burst of activity was largely borrower-driven with key issuers seeking bids for deals that produced an aggressive response from lead managers in the primary market. This was regardless of the fact that investor interest is cur-rently lacking at least for such large amounts of paper.

Mitsubishi Finance was, for example, having to support its \$200m issue for General Electric Credit Corporation which carries a sevenyear maturity extendable to 20 years. The deal was not helped by the fact that its coupon of 9% per cent is below the 10 per cent barrier where resistance sets in among investors. Issue price is 100% per cent.

The other two fixed dollar issues both had coupons of 10 per cent, but me of them, a \$250m issue for Texaco Capital Corporation fell into the five year category that is not cur-rently particularly popular with in-

Previous 105.375 1985 issue price of 101%. Lead mans

is Goldman Sachs with UBS (Securities). The third dollar issue, for Gen-

aral Motors Acceptance Corporation, came too late in the day for the market to pass a considered verdict, but initial responses suggested that it was more attractively priced. Led by Swiss Bank Corporation International, it bears an issue price of 99% per cent over seven years and is for a total of \$250m.

Elsewhere, the Bundesbank announced that 14 new bonds worth a total of DM 2.8bn bave been registered for launch in September in the West German market. This compared with a calendar of DM 1.5bn for August and an actual issue volume of DM 1.45bn.

The new amount scheduled is vestors. It also carries an above par lower than the DM 4bn previously

expected in the market and should be easily absorbed, especially as it includes a sizeable proportion of popular supranational bankers said.

But a surprise was that all the new issues are to be conventional fixed-rate bonds. Two large floating-rate issues, for Italy and Span-ish Railways, that had been noured do not appear on the

On the secondary market, D-Mark issues closed slightly firmer while Swiss bonds were little changed FAI Financial Services of Australia is raising SwFr 200m through a public issue led by Soditic. This will be the borrower's first international borrowing and it carries an indicated coupon of 6 per cent over 10 years.

The flow of dual currency issues continues in the yen sector with two more deals launched yesterday. Westinghouse of the U.S. is raising Y12bn through a 7½ per cent sixyear bond priced at 101½ and repayable in dollars. Nikko Securities is leading the issue which carries o re- creased by NZ\$20m to NZ\$70m bedemption value of \$56.4m, giving a cause of heavy demand.

break-even exchange Y212.85 per dollar.

Late in the afternoon, Austria also came with a Y25bn 10-year issue bearing a coupon of 8 per cent and issue price 102. Nomura International is leading this deal which bears a redemption value of \$119.7m and a break-even exchange rate of Y208.85.

Among other new issues, Ford Credit of Canada is raising CS75m through a seven-year 10% per cent issue priced at 100% per cent and led by Goldman Sachs. The University of Quebec is raising CS25m through a seven-year 10% per cent issue priced at par by lead manager

bourg. Kellogg Co launched an A\$30m, three year issue bearing a coupon of 12% per cent and issue price 100% through Salomon Brothers, while Hambros brought TransCanada Pipelines to the market for A\$40m over five years. The 13% per cent bonds were priced at 100% per cent Kreditbank's 17 per cent New Zealand dollar issue has been in-

### Borg-Warner in joint study with CdF-Chimie sign private debt plan

BY LISA WOOD IN LONDON

rope), with plants in Scotland and the Netherlands is conducting a joint feasibility study with CdF-Chimie, the French chemicals company, to explore the possibility of merging their respective ABS plas-tics businesses in Europe. Borg-Warner, a subsidiary of

Borg Warner Corporation based in the U.S., is a manufacturer of ABSan engineering plastic - special chemicals and petrochemicals, CdF-Chimie, with its ABS plant in France also makes special chemi-

BORG-WARNER Chemicals (Eu- cals, petrochemicals, fertilisers and paints.

Mr Albert Watson, president of Borg-Warner's European opera-tions, said the two companies believed that with a larger base for their ABS business they could serve their markets better and bring in new technology more rapidly.

A possible new joint company would create probably the biggest manufacturer of ABS in Europe and would own plants in three

### Venezuelan company to

since the debt crisis started.

Under the agreement the company will have access to \$23.3m at the preferential exchange rate of 4.3 bolivares to repay principal which is being refinanced over five years

A further \$43.6m is being refin- da, CIBC, Grindlays and Eulabank.

C.A. VENEZOLANA de Cementos anced over 3½ years at the same will today sign a \$72m debt refi-margin but without the exchange nancing package with 12 international bank creditors, believed to be zuela's largest cement company and the first rescheduling arranged by a part of the Mendoza industrial conprivate sector Venezuelan company glomerate, will repay \$5.2m under original terms and conditions.

include First National Boston, Wells Fargo, First Chicago, Chemical Manufacturers Hanover, J.H. at an interest margin of 1% per Schroder Wagg, Philadelphia Na-cent. Schroder Wagg, Philadelphia Na-tional, Lloyds, Royal Bank of Cana-



\*at the year-end rate of BF 63.32 = US\$ 1

### **BANQUE EUROPÉENNE** DE CRÉDIT S.A.

Boulevard du Souverain 100 - 1170 Bruxelles

#### 1984 CONSOLIDATED BALANCE SHEET

	31 Decer	nber 1984
	BF	US\$
•	Millions	Millions*
Due from Banks	47,902	<b>7</b> 56
Loans and Advances to Customers	100,587	1,589
Other Assets	21,921	346
TOTAL	170,410	2,691
ies		
Due to Banks	140,359	2,217
Customers Deposits	6,934	110
Subordinated Loan Notes	6,473	102
Capital and Reserves	7,238	114
Other Liabilities	9,406	148
TOTAL	170,410	2,691

#### **BANK RESULTS AND RECENT DEVELOPMENTS** As of July 19, 1985 the name of European Banking Company S.A. Brussels

which, together with European Banking Company Ltd. constituted the European Banking Group since January 1983, has been restyled Banque Européenne de Crédit S.A. (BEC) thus reverting to its former name; which existed from its foundation in 1967 BEC is jointly owned by the seven EBIC member banks and continues to expand its present activities. Since its inception, BEC has become a leader in Eurocurrency financing concentrating on industrial investment within Europe and throughout the world with particular emphasis on supporting European exports. These traditional activities have now been complemented by the establishment of a full foreign exchange service with a team of highly skilled dealers quoting both spot and forward prices in all major currencies.

With total capital resources exceeding BF 11.5 billion\* (US\$ 181 million equivalent) and total assets at BF 170 billion (US\$ 2.7 billion equivalent) as of December 31, 1984, BEC ranks among the most important banks operating in Belgium. BEC's consolidated profit and loss account for the year ended 31st December 1984 shows earnings after provisions and taxes at BF 849 millions compared with 8F 618 million in 1983. The total balance sheet has declined from BF 178.3 billion to BF 170.4 billion whereas total capital and reserves have risen from BF 6.5 billion to BF 72 billion and subordinated loan capital has risen from BF 2.4 billion to BF 6.5 billion.

The Chairman of the Bank is Mr. Guido N. Schmidt-Chiari, Deputy Chairman

of the Board of Managing Directors of Creditanstalt-Bankverein, Vienna and the Vice chairman is Mr. Marc Viénot, General Manager of Société Générale, Paris. The Executive Directors of Banque Européenne de Crédit S.A. (BEC) are Mr. Harry A. Allington and Mr. Brian W. Hobson.

Bankverein, Deutsche Bank AG, Générale de Banque S.A., Midland Bank plc. and Société Générale.

 Includes subordinated credit lines granted by the shareholders in the amount of BF 4.3 billion (US \$ 68 million) which remain undrawn. SHAREHOLDERS: Amsterdam-Rotterdam Bank N.V., Banca Commerciale Italiana, Creditanstalt-

### anout half the affected employees were likely to agree to join a retraining scheme to be jointly funded by Grundig and the Federal Labour Office, he said. Employees Bang & Olufsen sees DKr 26m pre-tax loss

and audio equipment manufacture of orecasts for the current year.

ers, will pass the dividend after making a DKr 26m pre-tax (\$2.6m)

loss in the year ending May 3L. The loss was forecast in a statement is used in May, but reversed a prediction nearly a year any when the result of a failure of sales in the user decreases in the company. It makes no forecasts for the current year.

Sales last year increased by only 3.5 per cent to DKr 1.6bn, partly as a result of a failure of sales in the user decreases.

tion nearly a yeer ago when the company forecast a DKr 20m profit.

The result has been affected by booking as direct expenditure amounting to DKr 124m in investment and research and development costs, an increase of 63 per ment and April also had an advant from the vertices.

cent from the previous year.

The high level of expenditure on product development and invest shareholders with pre-tax results of ment will first manifest itself in a DKr 20m, half the figure forecast

**Hudson's Bay** still in the red By Bernard Simon in Toronto

HUDSON'S BAY Company, the troubled Canadian department store, property and fur trading group, suffered a net loss of C\$45.5m (\$33.6m) or C\$2.13 a share in the three months to July 31, slightly higher than the loss of C\$43.6m or C\$2.85 a share a year

The latest period includes a CS4.8m loss from the disposal of book value.

The group, plagued by losses in its retail division and high debt service charges, lost CS101.7m in the first half of the current fiscal year

BY OUR CORRESPONDENT IN COPENHAGEN BANG & OLUFSEN, the Danish TV 1986/87, said the company. It made

Mr Koning, the Dutch chief ex-ecutive installed by Philips, said restructuring plans called for 2,500 jobs to be cut in Germany by the

compared with C5105.9m a year The company predicted that

product basis giving a justified ex-pectation of improved earnings in autumn of 1983 with a share issue. "substantially."

อเกร erms 1978

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mple Low

August 30, 1985

This advertisement appears as a matter of record only.

IKB Finance B.V.

Amsterdam, the Netherlands



Australian Dollar 30,000,000 12 <sup>7</sup>/<sub>8</sub> <sup>0</sup>/<sub>0</sub> Bearer Notes of 1985/1990

unconditionally and irrevocably guaranteed by

Industriekreditbank AG **Deutsche Industriebank** 

**Deutsche Bank Capital Markets** 

**Bankers Trust International** 

Commerzbank

Dresdner Bank

Industriekreditbank AG Deutsche Industriebank

Bank in Liechtenstein AG

DG Bank

Girozentrale und Bank der österreichischen Sparkassen

Orion Royal Bank

**Swiss Bank Corporation** International Limited

S.G. Warburg & Co. Ltd.

All of the partnership interests have been sold to institutional and corporate investors This announcement appears as a matter of record only



EMERSON ELECTRIC CO.

\$14,932,000

### **Emerson Research Partners II**

The proceeds of this private placement are to fund the research and development of electronic variable speed controls for household appliances.

The undersigned provided financial advisory services to the partnership and acted as placement agents.

PaineWebber

**Morgan Guaranty Trust Company** 

August 1985

U.S. \$20,000,000



(Incorporated in the United Mexican States)

#### **FLOATING RATE NOTES BUE 1988**

In accordance with the provisions of the Notes notice is hereby given that for the interest period from 30, August, 1985 to 28, February, 1986 the Notes will carry an interest rate of 91/16% per annum. The interest payable on the relevant Interest pay-ment date, 28, February, 1986 against Coupon No. 9 will be



By: The Chase Manhattan Bank, National Association, London.

CHASE

Agent Bank

#### SANYO ELECTRIC CO., LTD. Curação Depositary Receipts

of ordinary shares

The undersigned, acting as duly authorized Agent of Carneth Administration Company N.V., announce that the above-mentioned Company has made an interim dividend of Yen 4 per share for the fiscal term ending November 30th, 1985.

This dividend will be rayable, less 20% Japanese tax, as from August 30th, 1985, on the coupon no. 35 of the CDRs.

Payment will be made at the under-mentioned offices as follows:

\$ 6.70 per CDR of 10 depositary shares of 50, ord, shares \$13.40 per CDR of 20 depositary shares of 50 ord, shares \$67.00 per CDR of 100 depositary shares of 50 ord, shares

At the same time the coupons no. 33 (10% bonus shares), which have not yet been presented to be exchanged for additional CDRs, are payable at \$89.75 per CDR of 10 depositary shares, which amount represents the net proceeds of the entitlement sold.

Residents of countries which have concluded a tax treaty with Japan may, only afterwards, claim a 5% tax refund in Japan. The coupons may be presented in:

HAMBURG

to The Sumitomo Bank Ltd., Temple Court, 11 Queen Victoria Street, London EC4N 4TA. to Bank Mees & Hope NV, Pelzerstrasse 2. to Banque de l'Union Européenne.

 Rue Gaillon. 75 Paris 2e.
 Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10015. NEW YORK AMSTERDAM to Bank Mees & Hope NV, Herengracht 548.

BANK MEES & HOPE NV Amsterdam, August 21st, 1985

U.S. \$100,000,000

U.S.\$200,000,000

Floating Rate Notes due 1993

In accordance with the provisions of the Notes and the Agent Bank

Agreement between the Kingdom of Spain and Citibank, N.A., dated February 28, 1983, notice is hereby given that the Rate of Interest has been fixed at 8%4% pa and that the interest payable on

the relevant Interest Payment Date, February 28, 1986 against

By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

Coupon No. 6 will be U.S.\$43.29.

August 30, 1985, London



### Manufacturers Hanover Overseas Capital Corporation

Guaranteed Floating Rate Notes Due 1994

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 30th August, 1985 to 29th November, 1985 the Notes will carry an Interest Rate of \$\%\colon \text{per annum.}\$ The interest amount payable on the relevant Interest Paymeot Datewhich will be 29th November, 1985 is U.S. \$20.85 for each Note of U.S. \$1,000.

> Credit Suisse First Boston Limited Agent Bank

### INTL. COMPANIES & FINANCE

### Strong final quarter sales growth boosts G. J. Coles

STRONG FINAL quarter sales centage of sales rising from bury, chairman, said retailing growth helped propel G. J. 192 per cent to 2 per cent. conditions for most of the year growth helped propel G. J. 1.92 per cent to 2 per cent.
Coles, Australia's biggest retailer ,to e net profit of dividend of 13 cents a share, for A\$122.4m (US\$85.7m) for the a total of 21 cents, up from

The performance was well up to expectations for the company, which recently acquired another big retailer, Myer Emporium, in a A\$1bn deal expected to boost Coles' total turnover, in the year ahead, to more than a \$100m.

Coles' 1984-85 sales were e

year to July, against A\$104m in 19.5 cents. 1983-84.

statement in the next few days on restructuring the Myer operation. It will also cast light on plans for its A\$60m, 9.9 per cent stake in third big takeovers, doubled net earnings to A\$28.4m for the year to retailer, Woolworth, which is June, and is raising its annual unconnected with the UK or dividend from 19 cents a share to 21 cents. Coles is expected to make a on plans for its A\$60m, 9.9 per cent stake in third big retailer, Woolworth, which is unconnected with the UK or U.S. groups of that name.

little over 12 per cent higher at A\$6.1bn, with profit as a per-

One of the key to Coles' much higher profits was severe cost containment. Mr Bevan Brad-

had been generally depressed but added that expected income tax cuts plus a stronger market in the run up to Christmas --would help sales and profits.

to 21 cents.

Group assets rose to A\$456m and shareholders' funds to

#### Record year Fleet of Malaysia buys for Rothmans control of merchant bank

Malaysia By our Kusia Lumpur Correspondent

ROTHMANS of Pall Mall Malaysia has reported another year of record earnings and is sharply increasing its divi-

Pre-tax profits for the year to June rose 48 per cent to 76.1m ringgit (US\$31.1m) and the dividend is being raised to 15 cents a share from 8.5 cents. Net profits were 36 per cent higher at 38.5m ringgit, or 31 cents a share compared with 23 cents. Turnover rose 19 per

cent to 470m ringgit.
Rothmans International of the UK, which owns half the company, plans to increase the malay equity ownership from the current 4 per cent to 30 per cent by 1988 to conform with government policy.

BY WONG SULONG IN KUALA LUMPUR MALAYSIA'S powerful Fleet stake in PBS and concentrate group is to acquire a majority stake in a merchant bank in a move which greatly strengthens its involvement in the financial services sector.

The Bank of Commerce, a

The Bank of Commerce, a Fleet subsidiary, said it had reached agreement to buy 51 per cent of Pertanian Baring Sanwa merchant bank (PBS) for an undisclosed sum, believed to be in excess of 26m ringgit (US\$10.6m).

The stake is being bought from Bank Pertanian, the government-owned agriculture bank, which will retain 16 per cent in PBS. Other shareholders in PBS are Baring Brothers of the UK and Sanwa Bank of Japan, each with 16 per cent. It is understood that Bank Pertanian has been directed by the Government to reduce its

the Governm

stake in PBS and concentrate on its main function in promoting agricultural development.
PBS began operations in 1974 and at May 1984 had shareholders' funds of 21.7m ringgit and recorded pre-tax profits that year of 5m ringgit. With total assets of 365m ringgit, it is the sixth largest of Malaysia's 12 merchant banks.

Apart from owning 86 per cent of the Bank of Commerce, the Fleet group controls the new Straits Times, Malaysia's biggest newspaper publishing chain, as well as Faber Merlin,

chain, as well as Faber Merlin, the hotel and property group, and TV3, the private television

station Fleet, in turn, is controlled hy the ruling United Malays National Organisation of Dr Mahathir Mohamad, the Prime

### First half surge at Hongkong Electric

HONGKONG ELECTRIC, utility company in which Mr Li Kashing holds a controlling 24 per cent interest following 2 HK\$2.95n (U.S.\$372m) deal in January, boosted pro-tax profits for the first half of 1985 to HK \$488.4m, a 19.6 per cent improvement on the same period

of last year.

The board approved an interim dividend of 23 cents a

interim dividend of 23 cents a share, 53 per cent better than last year's interim.

Mr Simon Murray, who became chairman of the group shortly after Mr Li won effective control, forecast yesterday that earnings woud grow at a similar pace during the second half "barring unforeseen circumstances." Profits in 1994 were depressed by provisions made in International City Holdings, a 34.6 per cent-owned property 34.6 per cent-owned property associate, and in Fortress, the white goods retailing arm.
In January Mr Li paid the debt-burdened Hongkong Land HK \$2.9bn for its 33.8 per cent stake in Hongkong Electric.
Early this month, be reduced his helding to 24 per cent, recombholding to 24 per cent, recoup-ing more than HK Sibn of his outlay, while at the same time retaining the dominant role.

retaining the dominant role.

First Pacific Holdings, the Hong Kong based banking group effectively controlled by the Liem family and associates in Indonesia, yesterday acquired for an undisclosed price the First Philippine Capital Corporation (FPCC).

The name of FPCC, which provides loan syndication, securities dealership, investment management and financial advisory services in the Philippines,

sory services in the Philippines, will be changed to First Pacific Capital Corporation.

### MHI may sell U.S. unit

the world's largest manufacturers of heavy industrial products, is exploring the possible sale of its U.S. subsidiary which makes business aircraft.

Mitsubishi Aircraft Interna-tional (MAI) of Dallas, Texas, was established in 1967 to market MHI's turbo-prop business aircraft, the MU-2. It went on to become an assembly centre for the MU-300, a twin turbo-fan business jet launched two to three years. The U.S.

tries (MHI) of Japan, one of in the wake of the U.S. eco-the world's largest manufaction nomic recession and high in-

terest rates.
The company also announced an unexpected YI increase in its annual dividend to pay Y6 in the current year. This reflected income from sales of minority stakes in Mitsubishi Motor (MMC) to Chrysler, Mitsubishi Corporation and Mitsubishi Bank.

in 1981.
Car maker has agreed to raise.
Initial orders for the MU-300 its MMC holding from 15 per ran to 120, but more than a cent to 20 per cent.

### Yamaha Motor in profit

ese motorcycle maker, achieved group net profits of ¥450m (\$1.9m) in the year to April which, although confirming its strong turnround from losses which the previous year which the previous year reached Y37.8bn, were sharply down from the net earnings of Y7bn which the parent com-pany alone had been able to achieve in 1984-85.

last time of Y234.45 were trans-

YAMAHA MOTOR, the Japan- formed into earnings of Y280. Again, however, this was a frac-tion of the Y43.43 recorded at

the unconsolidated level, where many subsidiaries are excluded.
Yamaha, as part of a largescale restructuring put into effect from 1983, has been acting to slim and revitalise its.
U.S. operations in particular.
In addition, marketing and administrative costs worldwide were trimmed back

Overseas sales, up 14.9 per cent in the year, accounted for 62.4 per cent of the Y468bn overall figure, which itself was in the current year. For the parent company only, Yamaha on a per share basis, losses that the current year. For the parent company only, Yamaha expects a 30 per cent pre-tax

August 22, 1985

### **United Technologies Corporation**

has sold its wholly-owned subsidiary

**Inmont Corporation** 

**BASF America Corporation** 

a wholly-owned subsidiary of

**BASF Aktiengesellschaft** 

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to United Technologies Corporation.

Salomon Brothers Inc

One New York Plaza, New York, New York 10004 Atlenta, Boston, Chicago, Dallas, London (affiliate) Los Angeles, San Francisco, Tokyo (affiliate) ember of Major Securities and Commodities Exchanges.

London NWII. - gra-moje, pennaps (a)

6.45 Mary O'Hern and Friends. 7.15 "Botany Boy." starting James Mason Chips. 11.45 Reflections. 11.50 Golf Company.

事事素

Penney J C. 124 91 Pru Realis

Pru Realty secs 12's 00 Clantes Airways 10's 00

### INTERNATIONAL CAPITAL MARKETS AND COMPANIES

### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for August 29. | Bid | OBS | Car | Week | Year | 10/15 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 10/25 | 10/25 | + 0 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 10/25 | 10/25 | 0 | + 0 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10/25 | 10 DEUTSCHE MARK
STRAIGHTS
Assan Dev Bank 8 94
Austru Reputer 7° 64
Banter Traversol 7° 94
Copenhagen 7° 00
Credit National 8° 94
ELB. 7° 94
ELB. 7° 94
ELB. 7° 96
Enrowis Deuts Status 8 91
Freferd Reputsir 7° 92
Goods int fin 7° 91
Ireland 8° 92
Japan Fin Corp 7° 91
Missobshi Met 3° 890W
Missobshi Met 3° 890W ed 83d Offer day week Yield 107°s, 100°s, 104 to 14 to 18°s, 530 to 105°s, 106 to 14 to 18°s, 530 to 18°s, 106°s, 106 to 18°s, 106°s, 1

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Brit land Comp 8t 98
Council of Europe 6 92
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ELB 5t 94
Export Day Corp 5t 92
Gen Occidentale 4t 94
IC Industries 8t 94
Ind Fund Fin 5t 94
Ind Fund Fin 5t 95
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Sentiate Finance Ltd 6 64
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Tokyo Metropolis 5t 94
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Description of the control of the co OTHER STRAKENTE
Australia Com 12\*, 905A
Catcorp Aust 12\*, 905A
CSR Frinance 13\*, 90 SA
Amer. 10\*, 90 CS
Genster Fin 13\*, 90 SA
Amer. 10\*, 90 CS
Genster Fin 13\*, 95 CS
Hamil – Went'th 10\*, 95 CS
How Brusswick 13\*, 90 SA
New Brusswick 13\*, 95 CS
Shell Cavada 11\*, 95 CS
Shell Cavada 11\*, 82 CS
Wantingo Giy 10\*, 90 CS
Chinat 84 18\*, 88 MS
DG Bank 16\*, 98 MS
DG Bank 16\*, 90 MS
Westpate 86 18\*, 88 MS
DG Bank 16\*, 90 PCU
Mait Disney 3\*, 90 ECU
Mait Disney 3\*, 90 ECU
Walt Disney 3\*, 90 ECU
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Walt Disney 3\*, 90 ECU
Bank 16\*, 90 EC
Bank 16\*, 90 F.
Lanck Aerox 9 OF.
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Leaf France 11\*, 90 F.
Lanck Levis 11\*, 95 E
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Sear Drug Cap 10\*, 90 C
Tricentral XW 11 E2 E
Lishuage Forle 11\*, 90 E
EC.S.C. 10\*, 94LF
Net Linx Alum 10\*, 92 LF
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FLOATING RATE
MOTES.
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Bank/Amenca C/S 5½ 95
Bank of Monireal 5 98
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Bankers Treat 5½ 96
B.F.C.E. 5½ 99
B.N.P. 5½ 95 [July]
C.G.F. 5½ 97
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Chase Man'n 5½ 2000
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1002, 8712 6 7.99
100 19712 81, 8.15
a 10136 13711 61, 9.11
5594 971 61, 8.25
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a 5576 579 61, 8.85
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— Romand amount of bond per abure supressed in currency of share at conversion rate fispel at lesse. Prum — Percentage pressions of the current effective price of acquiring shares via the bond over the acost recent price of the

### Losses at J. P. Stevens

J.P. STEVENS, the second largest textile group in the U.S., ran up a loss of \$29.3m in the third quarter of its fiscal year after accounting for a charge of \$44.5m against restructuring costs and estimated losses on

proposed divestments.

The company blamed the deficit mainly on imports of foreign tex-tiles, which have hit its finished ap-

Fabrics and Steveoknit Fabrics.

The loss for the quarter, which corresponds to \$1.67 a share, compares with net income of \$2.7m, or 15 cents, in the same period of last year and was incurred on sales of \$443m against \$507m.

Io the first nine months of the parel products particularly hard. year, losses amounted to \$22.2m, or The businesses concerned include \$1.27 a share, against net profits of the Delta fabric division, woollen \$11m, or 61 ceots.

#### & National Westminster Bank PLC

Lasue of U.S.\$1,000,000,000 PRIMARY CAPITAL FRNe (Floating Rate Notes)

U.S.8500,000,000 PRIMARY CAPITAL FRNe (SERIES "A") U.S.\$500,000,000 PRIMARY CAPITAL FRNs (SERIES "B")

In accordance with the Trust Deed dated 9th July, 1985 (the "Trust Deed") made between Notional Westminster Bank PLC (the "Bank") and The Law Debenture Corporation p.l.c., constituting the Notes, the Bank bereby gives notice that completion of the distribution of the Notes took place on 12th August, 1985 and that accordingly 11th November, 1985 has been determined as the Exchange Date (as defined in the Trust

Persons estitled to delivery of any of the Notes are accordingly advised to obtain from the specified office of any of the Paying Agents, the office of Cedel S.A. in Luxembourg or the office of Morgan Guaranty Trust Company of New York as operator of the Euro-clear System ("Euro-clear") in Brussels the form of the certificate to be completed stating that such Notes are beneficially owned by persons who are not U.S. persons (as defined in the Offering Circular dated 24th May, 1985). Completed certificates should be delivered to the office of Cedel S.A. in Luxembourg, or to the office of Euro-clear in Brussels within the 15 days prior to, oo or after the Exchange

### **Houston Natural Gas Corporation**

has been acquired by

InterNorth, Inc.

**HNG InterNorth** 

The undersigned acted as financial advisor to Houston Natural Gas Corporation in this transaction.

LAZARD FRÈRES & Co.

August 22, 1985

### U.S.\$250,000,000



Ferrovie dello Stato Floating Rate Notes due 1999 edeemable at the Option of Noteholders in 1992 and 1994)

By virtue of existing legislation direct

and unconditional general obligations of

The Republic of Italy
Notice is breed with the line of Interest has been fixed at
87% and that the interest payable on the relevant Interest Payment Date February 28, 1986 against Coupon No. 4 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$432.88.

August 30, 1985, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANCO

#### U.S.\$460,000,000



Azienda Autonoma delle Ferrovie dello Stato Floating Rate Notes due 1995 By virtua of existing legislation direct and unconditional general obligations of The Republic of Italy

Notice is hereby given that the interest payable on the relevant Interest Payment Date September 30th, 1985, against Coupon No. 1 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$453.22 and in respect of U.S.\$250,000 nominal notes will be U.S.\$11,330.73.

August 30, 1985, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

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This advertisement complies with the requirements of the Council of The Stock Exchange.



### Midland Bank plc

(Incorporated with limited liability in England)

U.S.\$500,000,000

### **Undated Floating Rate Primary Capital Notes**

The following have agreed to subscribe or procure subscribers for the Notes:

Samuel Montagu & Co. Limited

Goldman Sachs International Corp. **Salomon Brothers International Limited** 

EF Hutton & Company (London) Ltd Morgan Guaranty Ltd

**Orion Bank Limited** Societé Générala

Union Bank of Switzerland (Securities) Limited

**Amro International Limited Bank of Tokyo International Limited Bankers Trust International Limited Banqua Paribas Capital Markets Chase Manhattan Capital Markets Group** Commerzbank Aktiengesellschaft Creditanstalt-Bankverein **Dresdner Bank Aktiengesellschaft** Generale Bank

Lloyds Merchant Bank Limited Mitsui Finance International Limited Nippon Credit International (HK) Ltd. Senwa International Limited

**Merrill Lynch Capital Markets** 

**IBJ International Limited** Morgan Stanley International **Shearson Lehman Brothers International Swiss Bank Corporation International Limited** S.G. Warburg & Co. Ltd.

**Bank of China BankAmerica Capital Markets Group Banque Nationale de Paris Barclays Merchant Bank Limited** Chemical Bank International Group **County Bank Limited** Dai-Ichi Kangyo International Limited Fuji International Finance Limited **Hongkong Bank Limited** LTCB International Limited Morgan Grenfell & Co. Limited **Nomura International Limited** Takugin International Bank (Europe) S.A.

Application has been made to the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the Notes to be admitted to the Official List.

Interest is payable semi-annually in March and September, commencing in March, 1986.

Particulars of Midland Bank plc and the Notes are eveileble in The Extal Statistical Service and copies of the Listing Particulars relating to the Notes may be obtained during usual business hours up to and including 3rd September, 1985 from the Company Announcements Office of The Stock Exchange and, up to and including 13th September, 1985, at the addresses shown below:

> Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN.

Midland Bank pic, Poultry,

Citibank, N.A., 336 Strand.

30th August, 1985

# Bank of Ireland 11% Morgan Grenfell Mount Credit Corp. Bank of Cyprus 11% Morgan Grenfell Mount Credit Corp. Bank of Scotland 11% National Bk. of Kn. Scotland 11% Banclays Bank 11% Brit. Bank of Mid. East 11% Brown Shipley 11% CL. Bank Nederland 11% Cansda Permanent 11% Coculartons\*\* Citibank Na 11% Consulartons\*\* Citibank Na 11% Citibank Savings 12% Consolidated Credits 11% Coonsolidated Credits 11% Coon 7-day deposits 8.00%. 1 month 8.50%. Top Ties-E2.500+ at 3 monthly notice 11.25%. At call when £10,000+ remains deposited. 2 Cell deposits £1,000 and over 8% gross. 21-day deposits over £1,000

BASE LENDING RATES

# **DAIWA EUROPE LIMITED** ISOUER Warrent expiry date Rauters Monitor DARF/G/H/I/J - Further Information from: Freddy Glock, Beverly Kelly or Edward Cartwright on 01-248 8080 Dalwa Europe Limited, 14 St Paul's Churchyard, London EC4M 881



# Govett High Income Gilt Fund Limited

to 1973 and having an authorised share capital of £1,000,100.

### John Govett Management (Guernsey) Limited

Initial offer for subscription

of up to 100,000,000 Participating Redeemable Preference Shares of 1p each ("Shares") at 50p per Share payable in full on application.

Directors	Mark Ralph Cornwall Jones (Chairman), Winchester House, 77 London Wall,	Registered Office	Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.	The following informati	ion is a summary of the principal features of the Fund and should be read in conjunction with the full text of this Pr
	London EC2N 1DH	Manager, Secretary	John Govert Management (Guerosey) Limited,	Structure	The Fund is an open-ended tovestment company registered and managed in Guernsey. Application has be to the Council of The Stock Exchange, London, for the Fund's Shares to be admitted to the Official List.
P	Investment Manager. Deputy Chairman of John Govett & Co. Limited.  Dwight William Makins,	and Registrar	Bermutla House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands. Telephone: Guernsey (0481) 26268		The Fund can issue and redeem its Shares and therefore operates on similar principles to a mutual fund or u.  It is intended to publish prices daily in the Offshore & Overseas Shares section of the London Financial Times and
	Winchester House, 77 London Wall, London EC2N 1DH	Investment Advises	Teles: 4191186  John Govert & Co. Limited, Winchester House, 77	Offshore Status	also be available from the Manager. Shares will normally be available for issue and redemption daily.  The Fund is resident for tax purposes in Guernsey and should not, under normal circumstances, incu
	Investment Manager,	MITCHINEM PAPER	London Wall, London EC2N 1DHL		Kingdom taxation on its income or capital gains.
	Director of John Govett & Co. Limited and John Govett Management (Guernsey) Limited	Custodian and	The Bank of Bermuda (Guernsey) Limited,		There are no death duties or capital gains, gift, inheritance or capital transfer taxes levied in Guernsey.
	Mel Tristan Maubec, Hirzel House, St. Peter Port, Guernsey, Charmel Islands.	Bankers	P.O. Box 208, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands.	Investment Objectives	The aim of the Fund is to provide shareholders with a high income free of any tax deducted at source. It is that the portfolio will comprise principally British Government securities on which interest will normally be paid the Fund, whilst maintaining the freedom to include other similar investment opportunities.
	Stockbroker, Director of Trevor Matthews & Carey Limited.	Auditors	Robson Rhodes, Chartered Accountants, P.O. Box 124, Langury House, La Motte Street,	Dividend Policy	It is intended to distribute substantially all the Fund's income after expenses. It is also intended to conduct the affairs so that it will not become resident in the United Kingdom. If the Fund is not resident in the United Kingdom, normally be able to receive interest gross, without deduction of United Kingdom tax, on British Government 5
	Geoffrey Robert Rowland, Manor Place, St. Peter Port,		St. Helier, Jersey, Channel Islands.		issued under Section 99 of the Income and Corporation Taxes Act 1970.
•	Guernsey, Channel Islands.	Stockbrokers	Hoare Govett Limited,		Application will be made to the Board of Inland Revenue for "distributor status".
	Advocate of the Royal Court of Guernsey, Senior Parmer of Collas, Day & Rowland and		Heron House, 319-325 High Holborn, London WCIV 7PB.		Dividends will be paid quarterly, without deduction of tax, to shareholders on \$1st March, 50th June, 30th Se and 31st December, commencing 31st March, 1986.
	Director of The Bank of Bermuda (Guernsey)	Legal Advisers	In Guernsey: Collas, Day & Rowland,	Investment Advisors	John Covert & Co. Limited has been appointed Investment Adviser. The John Covert group has over 6
	Frederick Mildon Thompson, Normandy House, Grenville Street,		Manor Place, St. Peter Port, Guernsey, Channel Islands. In England:		experience as independent investment managers and advisers so investment trusts, unit trusts, pension funds and clients with total assets under management or advice currently exceeding £1 billion in value.
	St. Helier, Jersey, Channel Islands.		Linkiaters & Paines,	Custodisg and	The Bank of Bermuda (Guernsey) Limited, has been appointed by the Fund as Custodian of its investment
	Chartered Secretary, Director of Samares Investments Limited,		Barrington House, 59-67 Gresham Street, London EC2V 71A.	Bankers	uninvested cash. The Bank of Bermuda group specialises in the administration of offshore mutual funds through its of offices in Bermuda, Hong Kong and Cuerosey.

#### Details of the Fund

The initial subscription lists will open at 10 a.m. in Goernsey on 30th August, 1985 and will close at 3.50 p.m. on 20th September, 1985. During the initial offer Shares will be offered at 50p per Share. The minimum amount which may be invested is £1,000. Acceptance of applications will be conditional upon not less than £700,000 being raised by this initial offer.

Application may be made either by telephone, telex or on the application form enclosed with this Prospectus. Details of the application and payment procedure are set out in "Application Procedure". After the initial offer, Shares will normally be available for issue and redemption on any business day in Guernsey ("Dealing Day") at the relevant prices then ruling.

The Manager may pay commission to stockbrokers, banks, solicitors, account ans, licensed dealers in securities and other recognised agents.

The Fund is designed to provide investors with a professionally managed portfolio comprising principally British Government securities on which interest will normally be paid gross to the Fund. When appropriate, part of the portfolio may consist of cash. The principal aim of this investment policy will be achieve a high rate of income return to the Fund which will be distributed to shareholders by way of a quarterly dividend, paid without deduction of tax.

Shareholders should recognise that whilst the Fund will aim to provide a high immediate return, part of this may be at the expense of capital. The Fund will seek to maintain capital values over the longer term.

while the Fund will invest the major proportion of its assets in British Government securities of the special category which pay interest free of United Kingdom income teax to non residents, the number of these specialised stocks is limited. The Fund may therefore also invest in a similar type of sterling denominated security issued by sovereign states other than the UK or securities insued by sovereign guaranteed borrowers and supramational stocks (all known as "Bulldog Stocks"). No such investments will be made in Bulldog Stocks unless the issuer or guarantor of the security qualifies for an "AAA" rating by Moody's or Standard & Poor's Rating Services or is deemed by the Manager to be of similar standing. This rating is the highest classification awarded and it is the rating given to all British Government Securities. The Fund may to addition invest in smilar securities denominated in a currency other than sterling. It is considered that the ability to invest in such stocks and securities widens the Fund's lovestment powers without weakening the basic security of the underlying holdings.

The Fund also has the facility to invest from time to time to Gift futures contracts and Gik options. The use of futures contracts and options can enhance the capital performance of the Fund without increasing the risk of exposure. They can also be used in a protective capacity with a resultant benefit to the Fund and its investors. Any use of these powers will be undertaken with prudence.

The Directors intend to distribute to shareholders each year by way of quarterly ividends substantially all the Fund's income after expenses. Dividends will be paid to shareholders in sterling on 31st March, 30th June, 0th September and 31st December in each year. The first dividend will be paid on \$1st-March, 1986.

Dividends may be automatically reinvested, at the request of a shareholder, in further Shares. Such Shares will be issued on the next Dealing Day after the date on which the relevant dividend is paid at a price calculated in the same manner. as for other issues of Sharer on that date and discounted by 5 per cent. at expense of the Manager. Applicants wishing to use this facility should compute appropriate part of the application form.

United Kingdom taxpayers will be assessable to income tax or corporation tax tax the case may be) on the amount of the dividend reinvested by or for them to

#### Investment Restrictions

It is intended that the Fund should conform with any requirements for obtaining certification that the Fund is a "distributor" fined for the purposes of the offshore and overseas funds legislation (see "Taxation").

. The Directors of the Fund are responsible for the overall investment policy. Details of the Directors are given to "Management and Administration".

Manager, Registrar and Secretary

The Fund has appointed John Govert Management (Guernsey) Limited as Manager with responsibility for the selection of investments and the day to day management of the Fund, subject to the overall policy and supervision of the Directors of the Fund, to undertake the Fund's administration and to act as Registrar and Secretary. Particulars of the management agreement are set not to section 22 of "General Information". The Manager was registered to and under the laws of Guernsey on 15th August, 1985 and has an amborised capital of £10,000 paid up as to £1,000. The Manager will receive from the Fund a management fee payable monthly, details of which are given in "Charges and Expenses" below.

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**Management and Administration** 

No person has been authorized to gue any information or to make any representations, other than these contained in this Prospectia, in connection with the affecting of Shares and, if yours or made, such information or representations must not be relied on as human been authorized by the Fund or the bissuager. Neither the deletary of this Prospectia nor the alleatment or incompanies of Shares shall, under any consistences, create any implication that there has been no change in the affairs of the Fund since the date heroif.

The consent of the Advisory and Forence Committee of the States of Georgiany under The Control bervaning (Barlindol of Georgian) Ordinances 1979 to 1976 has been obtained for the time p to 100,000,000 Unclassified States of 1p each either as Newtoni Shares or as Shares in the d. It want be distinctly understand that in giring this consent the Committee lakes no responsibility the financial seculates of any schools or for the correctness of any of the statements made or loss aspected with regard to them.

The Shares have not been registered under the United States Securities Act of 1933 and, except a transaction which does not value the United States securities lead, stay not be directly or

The Manager has delegated its functions and powers as Manager, Registrar and Secretary (subject to certain exceptions) to The Bank of Bermuda (Guernsey) Limited, ultimately a wholly-owned subsidiary of The Bank of Bermuda Limited under an agreement, particulars of which are set out in section 22 of "General Information". Details of the fees psyable under this agreement are set out in "Charges and Expenses" below.

An associated company of The Bank of Bermuda (Guernsey) Limited provides administrative and accounting services to the Manager at the expense of the Manager.

Investment Adviser

John Govett & Co. Limited has been appointed investment Adviser under an investment advisory agreement dated 28th August, 1985, particulars of which are set out in section 22 of "General Information". The fees receivable by the investment Adviser are also detailed in "Charges and Expenses".

John Govett & Co. Limited is an independent, City of Loudon-based investment management company which was incorporated in 1955 to provide a corporate structure for an investment management group which has now been in existence for over 60 years. It is involved solely in investment management and advise its independence from any banks, stockbrokers or other outside parties avoids possible conflicts of interest. The John Coven group currenty manages or advises four London listed investment trust companies, two offshore London listed does dend investment companies, eleven UK sutherless unit trusts, a number of pension and charity funds and private individual accounts. Funds under its management or advice currently exceed £1 billion in value.

Gustordian and Bankers

The Bank of Bermuda (Goernsey) Limited has been appointed by the Fund as Costodian of its assets under a custodian agreement, particulars of which are set out to section 22 of "General Information". The fees receivable by the Custodian for the services it renders are detailed in "Charges and Expenses" given below,

and are paid by the Fund.

The Bank of Sermuda (Guernsey) Limited is a limited liability company registered in Guernsey on 15th March, 1973. It has an issued and paid up share capital of 61 million and as at 30th June, 1985 its capital and reserves amounted to approximately £5.25 million.

The Fund has also appointed The Bank of Bermsda (Guernsey) Limited as its bankers on the latter's normal banking terms for customers (as regards bank charges, interest and other manters). As bankers to the Fund, The Bank of Bermsda (Guernsey) Limited will be responsible for implementing banking and financial transactions for the account of the Fund.

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming or disposing of Shares under the relevant laws of the jurisdictions to which they are

The Fund is resident for tax purposes to Guernsey and has been granted tax exempt status pursuant to The income Tax (Exempted Companies and Trusts) (Guernsey) Ordinance, 1984 to consequence of which it is subject to an annual fee,

The Directors intend to conduct the affairs of the Fund to that it will not become resident in the United Kingdom and should not, under normal circumstances, incur United Kingdom raxation on its income or capital gains. ... A brief summary intended to offer some guidance to persons subject to UK taxation, which should not be regarded as definitive nor as replacing the desirability of taking separate professional advice, is given in section 1 of "General Information". It does not apply to dealers to securities.

#### Issue and Redemption of Shares

Application for Shares may be made to the following manner:-

(a) On the attached application form, or to writing (b) By telex

(c) By telephone.

**Principal Features** 

purposes of computing United States federal income too. The attention of United States person drawn to the puragraph hopidal "Recriestons on Holdings and Computary Redemption" in "Gen Information" and the computary redemption pusaes of the Computery mentional therete.

This Properties does not constante on after of Shares for subscription after 3.30 p.m. or 20th September, 1985. Capter of this Prospector, subsequent Prospectors and application form may be obtained

John Goortt Hanagement (Guerner) Limited, P.Q. Buc 208, Bermuda House, St. Juden't Avenue, St. Peter Part, Concrust, Coarnel Mondo. Telephone Guerner; (0481) 26268. Telesc 4191186.

John Conet & Co. Limited, Windowster House, 77 Landon Well, London EC2N 1DEL Telephone: 01-588 5620, Teles: 884266.

The minimum initial investment is £1,000 and payment may be made by cheque in any freely negotiable currency or by telegraphic transfer in sterling. During the initial offer Shares will be offered at 50p per Share. The subscription lists will open at 10 a.m. on 50th August, 1985 and will close at 5.30 p.m. on 20th September, 1985. It is anticipated that allotments of Shares will be made

Following the initial offer Shares may be assued daily on any Dealing Day to Guerney at the price then ruling.

Details of the methods of application are set out in "Application Procedure" below.

### Redemption of Shares

Shares may be redeemed on any Dealing Day at the price then ruling by giving notice in writing, by telex or by telephone (provided that the balance of any registered holding would not thereby be less than £1,000 in value). Details of redemption procedures are set out in section 9 of "General Information." below. Further information on pricing and the valuation of the Fund's assets is contained in section 8 of "General Information".

In order to facilitate registration of Shares and redemption procedures, a nominee facility is offered by The Bank of Bermuda (Guernsey) Limited, through its wholly-owned subsidiary Banco Nominees (Guernsey) Limited. Applicants wishing to obtain details of the facility should write to the Manager, care of The Bank of Bermuda (Guernsey) Limited, PO Box 208, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands or cick the box on the application form accordingly.

Prices applicable to subscription and redemption will be available each day from the Manager to Guernsey and will normally be published daily in the London mancial Times (in the Offshore and Overseas Fund Section) and in such other pewspapers as the Directors may from time to time determine.

Temporary Suspension of Calculation of Frices In certain circumstances, the calculation of the subscription price and redemption price and the issue and redemption of Shares may be suspended. Details of such circumstances are given to section 10 of "General Information".

On issues of Shares after the initial offer, the Manager will be entitled to receive an initial charge equal to 5 per cent. Of the subscription price for such Shares plus a rounding adjustment equal to the lesser of 1p or 1 per cent, of the aggregate of the subscription price and initial charge. The Manager may differentiate between applicants as to the amount of the initial charge and rounding adjustment. On issues of Shares pursuant to the initial offer the Manager will be carried to receive

The Manager will also be entitled to receive from the Fund for its services to the Fund a morably fee payable to advance equivalent to % per cent, per amount of the value of the net assets of the Fund (as computed for calculating subscription prices! The Manager's out of pocket expenses mourted to relation to its services to the Fund will be borne by the Fund. Out of its fee the Manager will pay the fees of the Investment Adviser, whose out of pocket expenses incurred in relation to its services will also be borne by the Fund.

The Fund will pay to The Bank of Bernauda (Guernsey) Limited for the provision of registration services a fee which will be based on the level of activity. The remaining fees payable to The Bank of Bernauda (Guernsey) Limited under the agreement referred to to "Investment Management" will be borne by the Manager.

The Custodian will be entitled to receive from the Fund a monthly fee payable to arrear equivalent to 0.1 per cent, per annum of the value of the net assets of

The fees payable to the Manager and the Castodian will be subject to review aix months after the first allotment of Shares or at any time thereafter.

The Fund will be responsible for all its own expenses, including the preliminary expenses referred to be section 23 (i) of "General Information", legal and sudit fees, the fees and expenses of its Directors, filing fees and bank charges. The fees of the Manager, the Costodian and the Investment Adviser incurred in connection with the preparation of their relative agreements (and any agreements amending the same) will be borne by the Fond.

#### Report and Accounts

The Fund's financial year will end on 30th April. Annual audited accounts and interim reports of the Fund will be sent to shareholders normally to Judic and. December to each year respectively, commencing in June 1986.

The Annual General Meeting of shareholders of the Fund will be held in Guernsey. Notice convening the Annual General Meeting will be forwarded to shareholders, together with the Annual Report and Accounts of the Fund.

### General Information

Expressions used below have the meanings ascribed in them in the Articles of Association of the Fund, except where the context otherwise required.

The following brief summary is intended in offer some guidance in persons tocher than dealers in securities subject to UK munition, but should not be regarded as definitive our in replacing the desirability of taking separate professional advice.

The Fund is an "offshore fund" and if it does not distribute at least \$5 per cent. of its income and does not remain within the investment limitations laid down in the Finance Act 1986. United Kingdom text payers will be subject to text on gains arising on disposals at 1986 applicable to income. The Directors intend that the Fund should arising these requirements and in consequence qualify as a "distributor fund" for the purposes of the legislation.

As the Fund intends to operate equalization free Section 5 of "General Information" and provided that "distributor" status is obtained, when an investor disposes of Shares, the amount of the proceeds equivalent to the income account since the last distribution date for since lequisation, if laser will be subject on too as income, but the balance of the arriang on disposal will be translet as a capital gain and eligible for indexation relief.

The Finance Act. 1884 contains further provisions which may subject certain United. Kingdon resident companies in corporation tax on the profits of companies not so resident in which they have an interest. The provisions will affect United Kingdom resident companies which are deemed to be interested in at least 10 per cent. of the profits of a monvesident company which is controlled by United Kingdom residents and which does not implement full distribution policies. The provisions will not apply if the non-resident company implements a full distribution policy and in view of the proposed level of Kingdom resident company in the Fund, it is not anticipated that these provisions should affect United Kingdom resident companies materially.

United Kingdom resident and domiciled taxpayers (and UK resident taxpayers who although not domiciled in the UK, remit their dividends to the UK) will be required to include their dividends to stopen to equalisation) as part of their income subject to sex even though the amounts concerned are utilised to acquire further Shares.

The amenion of individuals ordinarily resident in the United Kingdom is drawn to the provisions of Section 478 of the income and Corporation Taxes Act 1970 the "Ag" and in Section 45 of the Finance Act 1981 which may render them liable to taxation in respect of any undistributed income and profits of the Fund. Should the Inland Revenue of the United Kingdom apply their powers under these Sections in respect of investment in the Fund by a person ordinarily resident in the United Kingdom, the Inland Revenue would gross, without deduction of United Kingdom tax, on British Government Securities taxational under Section 99 of the Act.

Clearance has been obtained from the Board of Inland Revenue under Section 484 of the Act that the provisions of Section 460 of the Act (cancellation of tax advantages from certain crassactions in accurates) will not apply to the issue, redemption or transfer of Shanca.

The Fond was regionered with limited liability in Guernsey on 2find August, 1945 under the provisions of the Companies (Guernsey) Laws, 1906 to 1975 ("the Laws"). The communication of the Fund is defined in its Memorandum and Articles of Succinition. The fund's Memorandum of Association provides that the Fund's principal objects are to carry on business as an investment holding company and in acquarte, saves in and hold securities, of all kinds or rights or inservers to or in any such securities. The objects from any set out in Clause 3 of its Memorandum of Association which is available for impection as out in Clause 3 of its Memorandum of Association may be aboved by measure of a Special Resolution of the Fund passed in accordance with the Laws namely by a resolution duly proposed and passed as a Special Resolution by not less than three-quarters of the vanus recorded at a General Meeting of the Fund and they confirmed by a simple, mightly of the votes recorded at a second General Meeting held not less than fifteen not more than under the seal of the Fund has so be sent to H. M. Greffect for registration.

The Fund has an authorised share capital of £1,000,100 divided into 100 Defeated Shares of £1 each, which have been substribed for in full in cash at par by or on behalf of the

gurf mole, perhaps (9) London NWII. | S.45 Mary O'Hara and Friends. 7.15 " Solveny Bay." starting James Mason Chips. 11.45 Reflections. 11.50 Gell Company.

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#### Govett High Income Fund Limited

Manager: and 100,000,000 further thares of 1p each (pending alterness called Unclassified Shares) available for allocment as Participating Redectable Preference Shares or as Nominal Shares. The Articles of Association provide that the Fund may (I) by Ordinary Reachation, increase its share capital, consolidate and divide all or any of its shares smaller amount and cancel any shares not taken or agreed to be taken by any peason at the date of the Ordinary Resolution and (II), subject to the provisions of the Laws, by Special Resolution reduce its share capital.

3. Classes of Statres

The various classes of shares, and the rights attaching thereto may be summarised as

Frencessening Reticemable Preference Shares
Holders of Shares are entitled to receive notice of General Meetings and to attend
and vote thereat. On a poll, a holder is entitled in one vote for each Share held. The
redemption rights attached to Shares are described in "issue and Redemption of
Shares" above and section 8, 9 and 12 below. Fractions of Shares will be insued where
any subscription moneys are not an exact multiple of the price payable on
subscription. Any excess subscription moneys may be retained for the Profit a benefit
at the Manager's option. Any holding of Shares must be a multiple of one-thousandth
part of a Share. A fraction of a Share will rank past passe and proportionately with
a whole Share.

Deferred Shares The Deferred Shares exist solely to comply with the Laws, which require that the Shares have a preference over another class of capital. The holders of the Deferred Shares are consided to receive notice of General Meetings and to annead and vote thereat. On a poll, a holder of Deferred Shares is consided to one wore for each such share held by him. Deferred Shares are not redeemable.

Unclassified Shares These may be issued as Participation Redocmable Preference Shares or as Morninal Shares.

Nominal Shares can only be issued at pur and for the purpose of providing funds for the redemption of Shares. Where fractions of Shares are redeemed, equivalent fractions of Nominal Shares will be issued torovided that any holding of Nominal Shares is a multiple of one-chousendth part of a Nominal Share. A fraction of a Nominal Share will reak part pass and proportionately with a whole Nominal Share. Nominal Shares are node-entable at part. Nominal Shares may be converted into Shares as a price per share equal to the appropriate subortipion price for the Shares concerned including any Equalisation Payment as described below less an amount equivalent to the noninal share of such Shares. Holders of Nominal Shares are entitled to receive notice of General Meetings and to astend and vote thereor. On a poll, a holder of Nominal Shares is entitled to one vote in respect of all the Nominal Shares held by him, irrespective of the number of Nominal Shares held by him. All Nominal Shares will be issued in the Manager.

No dividend is payable to the holders of the Deferred Shares or the Nominal Shares. Dividends may be payable on the Shares as described in "Dividend Policy" above. Any dividend payable in respect of a share unclaimed after a period of twelve years from the date of declaration of such dividend will be forfeited and will revert at the Fund. All unclaimed dividends may be used for the Fund's benefit. No dividend will bear interest against the Fund.

inclaimed dividence may be seen a against the Fund.

By a substantial sulf only be paid to the extent that they are covered by income received from the Fund's underlying investments. 5. Equalization Account

The Fand will maintain an Equalisation Account to ensure that the dividend payable on all Shares can be of the same amount nonwithstanding different dates of issue of Shares. The subscription price per Share may include an Equalisation Psyment for such purpose which will be repaid to shareholders with nater offs, the first dividend after the issue of the relevant

6. Varietion of Clear Rights 6. Variation of Gleen Rights
Subject to the provisions of the Laws, all or any of the special rights for the time being attached so any class of shares for the time being issued may timless otherwise provided by the terms of issue of the shares of that class from time in time twhether or not the Fund is being wound up) be abered or abrogated with the consent to writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of time-fourths of the votes care as a separate General Meeting of the holders of such shares. To any such separate General Meetings of the Pand shall soutent smattered apply, and every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him and any holder of shares of the class present in person or by proxy may demand a poll.

The rights attached so the Shares shall be deemed to be varied by the creation or issue of any shares (other than Shares) ranking seri passs with or in priority to them as respects participation in the profess or assets of the Fund.

Subject to the preceding paragraph, the special rights attached to any class of shares having preferential rights shall (unless otherwise expressly provided by the conditions of issue of such shared be deemed not to be waried by:— (a) the creation, allocment or issue of further shares making part passe therewith, or

(b) the creation, allotment or issue of Deferred Shares, or (c) the creation of Unclassified Shares or

(d) the allounest, issue or redemption of Shares; or

(e) the allotment, issue or redemption of Nominal Shares; or

(f) the conversion of Nominal Shares into Shares as provided for in the Articles of (d) the exercise, if the Fund is wound up, by the liquidator of his powers, as provided

for in the Articles of Association.

No material issue of Shares (other than issues of Shares pursuant to this Prospectus or to any subsequent Prospectus of the Fund or to shareholders pro two to their existing holdings) will be made within one year from the date hereof without the prior approval of the Fund in General Meeting.

7. Rights on a Winding up

If the Fund is wound up, the assets available for distribution among the Members will be applied in the following priority:

(a) in repaying the monitoal amount paid up on, firstly, the Shares, secondly, the Nominal Shares and, whitely, the Deferred Shares;

(b) in the payment to the holders of Shares of any surplus assets of the Fund then remaining part pass amongst such holders.

If the Find is to be, or is being, wound up wountarily and all or part of its business or property is proposed to be transferred or sold to another easily (whetever established), the liquidator ray, with the authority of an Extraordinary Resolution, arrange for the distribution among all or any class of the Members fin proportion to their respective interestal of securious or other interests in such entity in compensation or part compensation for such transfer or sale. No Members shall be compelled to accept securities or other interests on which there is a liability to make further payments and any such arrangement made by the liquidator will be decined not so be an alteration or abrogation of the special rights attached to any class of shares.

8. Share: Frices and Terms following the hasted One:
Shares may be allotted on any Dealing Day at a price per Share determined by the Manager
and ruling on the relevant Dealing Day. The subscriptom price is calculated by assessing the
value of the Net Assets of the Fund for this purpose as at the Valuation Point inormally 2 p.m.
on the immediately preceding Business Day), by adding thereto an appropriate sum for Duties
and Charges which would be incurred on the assumption that all the Fund's Investments are
to be acquired, by deducting therefrom the paid-up capital on the Deferred Shares and the
Nominal Shares, and by dividing the resultant amount by the number of Shares in issue or
deemed to be in issue. An initial charge (payable to the Manager, als set out above in the section
headed "Charges and Expenses") is then added thereto and, after including any Equalization,
Payment payable, the regulant amount is then rounded up by not more than the lesser of 1
per cent, or 10.

Shares may be redecimed on any Dealing Day in a price per Share determined by the Manager, and ruling on the relevant Dealing Day. The redemption price is the aggregate of the monitoral value of a Share and a sum calculated by accertaining the value of the Net Assets as at the Valuation Point (normally 2 p.m. on the immediately proceeding Business Day), by deducting therefrom the paid-up capital on the Deferred Shares and the Nominal Shares and such sum as the Manager may consider represents the appropriate structure for Duties and Charges in relation to the realisation of all the Fund's Investments on the assumption that such Investments are to be realised as that Valuation Point, and by dividing the realistant amount by the number of Shares in issue or deemed to be in issue. From this amount, the amount of any Equalisation Payment payable, and the nominal value of a Share are respectively deducted and, after then including any Equalisation Payment payable, the resultant amount in vandownwards by the leaster of 1 per cent. or 1p. Any such rounding adjustments on asbecipation and redemposion accrue to the Manager.

and redemption accrue to the Manager.

The Directors shall have power thy altering the Valuation Point to carry not a special valuation for the purpose of recalculating the subscription and redemption prices whenever they think is desirable in the interests of Gainens among shareholders and this power shall remain available even though the Directors may previously have published prices based on the ordinary valuation in respect of the day to question.

If, in order so meet redemptions, it is necessary to realize investments prematurely, any penalties or losses incurred may be reflected in the redemption price of the Shares concerned. The Net Assets of the Fund are valued on a market value basis, normally using offered prices for calculating the subscription price and bid prices for calculating the redemption price. However, the Manager in its discretion reserves the right to value any Investment on a different basis should this be considered better to reflect the fair value of such Investment, in calculating the value of the assets and the amount of the liabilities of the Fund income is treated on a receivable basis and expenditure treated on an accruals basis. The full valuation provisions are contained in the Fund's Articles of Association which are available for public inspection and copies of which are available on request.

Article 34 of the Fund's Articles of Association provides inter that, that—

inspection and copies of which are available on request.

Article 34 of the Fund's Articles of Association provides inter abs., that—

(a) If any Investment is realised or contracted to be realised at a known value the not proceeds of such realisation shall be taken into account in lieu of any other method of determining the value of the investment concerned.

(b) If and whenever the quoted price of an investment is a single price, such price shall be taken as being the lowest available market dealing offered price or the highest available market dealing bid price as the case may be.

(c) Any value (whether of an investment or cash or of any fability) otherwise than in Sterling shall be converted into Sterling at the rate (whether official or otherwise) which the Directors shall deem appropriate in the circumstances having regard inter site to any premium or discount which may be relevant and to any costs of exchange.

premain or discount which may be relevant and to any costs of exchange.

On any Dealing Day, the Manager may, in its capacity as Manager of the Pand and at its sole discretion, satisfy in whole or in part any application for the issue or redemption of Shares by selling such Shares to, or purchasing such Shares from the applicant or shareholder.

Applications for Shares received after 3.50 p.m. on any Dealing Day will normally be dealt with on the next Dealing Day.

9. Redemption Procedures Recommend Proceedings on any Dealing Day in any one of the following ways provided that the request to redeem has been received by the Manager in Guernsey by 5.50 p.m.

shares may be redeemed on any Dealing Day in any one of the following ways provided that the request to redeem has been received by the Manager in Guermey by 5.50 p.m., on that Dealing Day:—

(a) In writing, Simply return to the Manager in Guermey the certificated with the Redemption Request endorsed on the reverse duly Completed. The Shares will be redeemed at the prior ruling as the time of receipt of the certificated.

(b) By telex. The Shares will be tedeemed at the prior ruling at the time of receipt of the telex. Shareholders must quate the registered name and address, account number, the certificate number(s) and the number of Shares, or value of Shares in be redeemed.

The certificate handled he arms to the Asset of Shares, or value of Shares in be

the Certificate(s) should be sent to the Manager in Guerusey immediately, with the Redemption Request endorsed thereon duly completed and with a note that the Shares have already been said by telex.

(c) By releptione. The Shares will be redeemed at the price rating as the time of receipt of the teleptione call. Sharesholders must quote the registered name and address, the account mimber, the certificate number(s) and the mamber of Shares, or value of Shares, in be redeemed. The certificate(s) should be sent to the Manager in Guernsey immediately, with the Redemption Request endorsed thereon duly completed and with a note that the Shares have already been said by telephone.

Where a shareholder has maken advantage of the nominee facilities made available through the Manager, the formalities may be effected by the Manager on behalf of the shareholder has not by prior arrangement, telephone or telexed instructions from the shareholder.

shareholder.

In each case a contract note confirming the redemption and the price will be issued in each case a contract note confirming the redemption and the price will be issued interediately. Redemption proceeds will only to redemption the redemption proceeds will certificately with the Redemption Request ably completed. The redemption proceeds will be sent in sterling at the shareholder's risk, within 7 working days of receiving the endorsed be sent in sterling at the shareholder's risk, within 7 working days of receiving the endorsed certificately save where nominee facilities have been used, to which event the redemption proceeds will be sent within 7 days of the contract date. Any other method of payment proceeds will be sent within 7 days of the contract date. Any other method of payment proceeds will be sent within 7 days of the contract date. Any other method of payment proceeds will be sent within 7 days of the contract date. Any other method of payment proceeds will be sent within 7 days of the contract date. Any other method of payment proceeds will be sent within 7 days of the contract date. Any other method of payment proceeds will be sent within 7 days of the contract date. Any other method of payment proceeds will be sent within 7 days of the contract date. Any other method of payment proceeds will be sent to the payment of the pa

16. Temporary Suspension of Deslings

The Manager may declare a suspension of the valuation of the Net Assets during the whole or part of any period during which:—

er part of any period during which:

(a) by reason of the closure, or suspension, of trading on any stock exchange or other
market or for any other reason, circumstances exist as a result of which, in the opinion
of the Manager, is in not reasonably practicable for the Fund to reason or dispose of
lovestments or fairly in determine the value of the Net Assets, or

(b) a breakdown occurs in any of the means normally causinged by the Manager in ascertaining the value of loverments or when, for any other reason, the value of the loverments cannot reasonably be ascertained.

ascertaining the value of investments or when, for any other reason, the value of the lovestments cannot reasonably be ascertained.

No Shares will be allotted or redeemed during any period when the valuation of the Net Assets is suspended. If on any Dealing Day on which the redemption of Shares is that to take place, the determination of the value of the Net Assets is suspended, the tight of the shareholder to have such Shares redeemed will be similarly suspended and during the period of suspension be may withdraw his request for redemption by notifying the Fand or the Manager in writing before the and of the suspension. Unless withdrawn, requests for redemption will be effected on the first Dealing Day following the and of the suspension. Requests for redemption are otherwise irrevocable.

11. Transfers of Shares 11. Transfers of Shares

The Shares will be in registered form. The transfer of any Shares must be effected in writing
in any usual or common form, he signed by the transferor and fin the case of partly paid
Shares by the transferor, need not be under seal, but must state the full name and address
fand, where required by the Directors, the nationality) of the transferor and transferor. The
Fund's Articles of Association provide that the Directors may in their absolute discretion
and without assigning any reason therefor decline to register any transfer of Shares
to being fully paid Sharesl and may also decline to register, mor side, any transfer of Shares
on which the Fund has a lien, or, if the insurament of transfer together with the relative
certification and such other evidence as the Directors may reasonably required in the tenth of the
at the Fund's registered office (or at such other place as the Directors may reasonably
required. The Directors may request the transferee to furnish a declaration in the form or
substantially in the form set out in the Articles of Association to the effect that the Shares
in be acquired will not be owned beneficially by a resident of Goemsey, Aldemey or Herm
together with, if the Directors is request, evidence satisfactorsy in them that the transferree
is a Qualified Holder, as defined in the Articles of Association or in such other form as
the Directors may request.

Restrictions ma Holdings and Compulsory Redemption

12. Restrictions ma Holdings and Compulsory Redemption.

The Find reserves the right to require the redemption or manufer of Shares acquired or held by any person in breach of any law or requirement of any country or governmental authority or by virtue of which sich person is not qualified to hold such Shares or by any person in circumstances (whether alone or together with other persons which, in the opinion of the Manager, might result in the Fund suffering textation or other personsity disadvantage which, is would not otherwise have suffered.

The Directors may on any Dealing Day compulsorily redeem any holding of Shares which is below any applicable minimum holding set pursuant in the Articles of Association (but such powers may not be exercised where any holding has falson below the minimum holding then applicable thereto solely as a result of a decision in increase the relevant minimum holding.

18. Life of the Fund All Shares not previously redeemed will be redeemed on the first Dealing Day in 2086 at the price ruling on such Dealing Day. 14. Minimum Valuation

If as any time the value of the Net Assets (calculated as though for the purpose of computing subscription prices) on any Dealing Day is less than £2.000,000, the Fund may by four weeks notice to all holders of Shares given within eight weeks thereafter, redeem on the Dealing Day nominated in the notice, all float not some) of the Shares not previously redeemed as the price ruling on such Dealing Day.

15. Report of the Auditors of the Fund

The Directors Govett High Income Gils Fand Limited

Goven High Income Gik Fund Limited was registered under the laws of Guernsey on 22nd August, 1925. As at the date of this report, it has not traded and on accounts have been prepared and on dividends paid.

Yours faithfully,

As at the date of this Prospectus, the Fund does not have any loan capital outstanding or created but anisated, term loans (whether guaranteed, unguaranteed, secured or insecured), borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptance scher than normal trade bills) or acceptance credits, hire purchase commitments, mortgages, charges or guarantees or other material contingent inhibities.

Under the Articles of Association of the Fund, the Directors may exercise the Fund's power Under the Articles of Association of the Find, the Directors may exercise the Fund's power to borrow and in charge its assets, but they are required to restrict the borrowing of the Fund and to exercise all woing and other rights or powers of control exercisable by the Fund in relation to its subsidiary companies if anyl as as to secure is regards subsidiary companies on far as by such exercise they can secure that the aggregate amount for the time heing remaining undischarged of all moneys borrowed by the Group (which expression means and includes the Fund and its subsidiaries for the time being) inclusive of any fixed or minimum premision payable on final repayment but exclusive of intra-Group borrowing shall not, except with the consent of the Fund in General Meeting, exceed an amount equal to the amount of the Share Capital and Consolidated Reserves (as defined in the Articles of Association).

of Association).

Under normal circumstances, these powers will not be exercised and in any event it is not presently intended to make use of them except on a short term basis such as to avoid the need to realise investments prematurely to meet redemptions.

There are on existing or proposed service agreements between the Fund and any of its Directors. A Director is not required to hold any shares by way of qualification. There are on provisions requiring Directors to retire at any specified age. 18. Directors' Remuneration

18. Directors' Remunicization
The aggregate amount of Directors' fees is currently £5,000 per annum. The Articles of Association of the Fond tentain provisions to the following effect:—

The Directors will be entitled to such remoneration as they may from time to time determine being not more than £1,000 per annum for each Director or such higher amount as may be approved by Ordinary Resolution of the Fund, Such remoneration will be deemed to accrue from day in day. The Directors and any alternate Directors may also be paid all travelling, hotel and other expenses properly incurred by the Directors of any remnantee of the Directors of General Meetings of the Fund or in connection with the business of the Fund. The Directors may in addition to such remnanceation grant special remnanceation to any Director who, being called upon, shall perform any special or extra services to or at the request of the Fund. Transactions with the Directors

Transactions with the Directors
of Association of the Fund contain provisions to the following effect—
(ii-(a) A Director-trans) hold any other effice on place of push, under the Sund or any
subsidiary thereof (other than the office of Auditor) or under any other company in
which the Fund is in any way interested in conjunction with his office of Director on
such terms as the Directors may determine:
(b) No Director or intending Director shall be disqualified by his office from
contracting with the Fund or from being in any way interested to any contract,
arrangement or transaction in which the Fund is in any way interested, not shall any
such contract or any contract, arrangement or transaction contract or any contract, arrangement or transaction entered into by or on behalf

such contract or any contract, arrangement or transaction entered into by or on behalf of the Fund in which any Director or intending Director is in any way interested he liable to be avoided nor shall any Director or intending Director is occurating or being so interested be liable to account to the Fund for any profit realised by any such counter, arrangement or transaction by reason of such Director or intending Director holding that office or of the fiduciary relationship thereby enablished, bot the nature of his interest must be declared by hint at the intening of the Director as which the question of exterior into the counter, arrangement or transaction is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract, arrangement or transaction, then at the next meeting of the Directors beld after be becomes so interested, and to a case where the Director becomes interested in a contract, arrangement or transaction after it is made, then at the first meeting of the Directors beld after be becomes so interested on the first meeting of the Directors had after be becomes so interested. made, then at the first meeting of the Directors beld after be becomes so interested. A general notice in writing given at the Directors by any Director to the effect that be is a member of any specified company or firm and it to be regarded as interested in any contract which may thereafter be roade with that company or firm, shall fit such Director shall give the same at a meeting of the Directors or shall give the same is a meeting of the Directors or shall give the same is brought up and read at the next meeting of the Directors after it is given be deemed a sufficient decharation of interest in relation to any contract to made.

Except as provided in the Articles of Association, a Director may not vote in respect of any contract or arrangement or other proposal in which be has a material interest (other than by virtue of his interest in securities of, or otherwise in or through, the Fund) nor may be be counted in the quotum at a meeting in relation to any resolution on which be is debarred from voting. The shareholders have power by Ordinary Resolution to suspend or relax such restrictions or to ratify any transaction not duly authorised by reason of a consurvention thereof.

Any Director may act by himself or through his firm in a professional capacity for

authorised by reason of a contravention thereof.

Any Director may act by himself or through his firm in a professional capacity for the Fund or any other company in which the Fund is in anyway interested, and be or his firm shall be entitled in renumeration for professional services as if he were not a Director, but such a Director or his firm may not act as Auditor to the Fund or any subsidiary thereof.

Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Fund or in which the Fund may be interested or associated in business or otherwise, and on such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such other company. The Directors may service the voing power conferred by the shares in any other company, he such manager in all respons as they think fit shedwing the exercise the roof to favour of a resolution appointing themselves or any of them, directors, managing directors, managers or other officers of such company.

Appointment of Managers and Constoding ent of Manager and Costodia

wrices of Association of the Fund contain provisions in the following effects

60 The Directors may appoint any person, from or corporation to act as manager of the Fund's administrative and secretarial affairs and lovestments (the "Manager") and may delegate to such Manager any of their powers and doing, other than the power to make calls or forfier shares, with such powers of delegation and such restrictions as they think fit and either collaterally with or to the exclusion of their own powers.

to make calls or forfer shares, with such powers of designation and such revolvances as they think it and either collaterally with or to the exclusion of their own powers.

(ii) The terms of any agreement entered into by the Fund appointing any Manager tother than the original agreement content into prior to the innual issue of Shares appointing the first Managers, and any variations made after the initial issue of Shares to any such agreement, then to forte denoting such original agreements, shall be subject to approval by a resolution of a separate General Meeting of the holders of Shares passed by a simple majority of the votes given provided that on such approval shall be required if the terms of any new agreement do not differ materially from those in force with the former Manager on the termination of as appointment or, in the case of a variation to an existing agreement, the Directors consider that any such variation either tal is necessary or expedient having regard in the provisions of any fiscal legislation or (b) does not materially prejudice the theorems of the holders for the the being of Shares or any of them and does not operate to release the Manager to a material excess from any responsibility to the Fund.

(iii) The Directors may appoint a Custodian in he responsible for the safe custody of any of the Investments of the Fund and in perform such other duries upon such terms as the Directors may determine. The renumeration of any for the safe custodian may be payable by the Fund. The terms of appointment of any such Custodian may aminories such Custodian in a position when the power of subdelegation sub-custodians, nomines, agents or delegates as the expense of the Fund or otherwise.

21. Indemnisies and Disclosure of Information

The Articles of Association comain provisions indemnifying the Directors, Secretary and other officers and servants of the Fund against any actions, core, charges, insect, damages and expenses incurred or sustained by reason of any contract entered into or act or omission in or about the execution of their duty or supposed duty unless due in their own withit act, neglect or default, and provided that the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Fund and have priority as the extraction also contain provisions exempting the foregoing from liability in certain circumstances unless due to their own withful act or default. In addition, they provide that the Manager and any Caucidian shall be entitled as such indemnity from the Fund upon such terms and subject to such conditions and exceptions and with such entitlement in have recourse in the assets of the Fund with a view in meeting and discharging the cost thereof as shall be provided under the Managerment Agreement, or any Caucidian Agreement is applicable. The Fund, the Directors, the Manager, the Secretary and any Coutodian may, if inwfully required so to do, disclose information to their possession regarding the Fond or its affairs or any Member.

22. Marketial Courterers. Indemnities and Disclosure of Information

22. Material Contracts
The following concracts have been entered into since the registration of the Fond and prior to the date of this Prospectus and are or may be material:

(1) Managammat Agreement dated 28th August, 1945 between (i) the Fund and (i) the Manager whereby the Fund appointed the Manager, subject, sater site, in the overall policy and supervision of the Directors, with powers of delegation, to act as Manager of the Fund and in manage the Investments of the Fund, to carry on its general administration, to act as or supply the services of a Secretary and Registrar and to promote or procure the premotion of the distribution of Stares for a mouthly fee payable in advance, together with reimbursement of its not of pocket expenses in relation wits services to the Fund, the fant advance, together with the manager's fees under this Agreement are given to "Charges and Expenses" above. These fees are subject to treater the Agreement commiss provisions permitting the Manager, in its capacity as Manager of the Fund, it make a market to the Shares videous being Eable to account therefore and indemnifying and carempting the Manager's from Haliffly not due to its udiful breach of duty or negligence in certain croumstances. For the purposes of carrying out or obligations under the Agreement, certain of the functions, duties, powers and

discretions of the Directors are exercisable by the Manager. The Manager has delegated its powers, duties, discretions and functions under the Management Agreement isolitot to certain exceptions) in The Bank of Bertunda (Guernsey) Limited under the Agreement referred in in paragraph (4) below. If the Management Agreement is terminated, all these functions, duties, powers and discretions would revert to the Directors. The Agreement will run for an initial period of two years from the first allotment of Shares and thereafter will be terminable, nater abid, on not less than six months' notice given by either party to the other to expire on or as any time after the expiry of the initial two year period.

Canadian Agreement dated 24th August, 1965 between (1) the Fund, (2) The Bank of Bermuda (Guernsey) Limited (the "Custodian") and (3) the Manager whereby the Custodian vast appointed as the Custodian of the Fand and its Investments. Details of the fees payable under this Agreement are given in "Charges and Expenses" above. These fees are subject to review six mouths after the first allotment of Shares takes place or at any time thereafter. The Agreement will run for an install period of two years from the first allotment of Shares and exempting the Custodian from liability not due to its wifiel breach of duty or negligence in certain circumstances. The Agreement will run for an install period of two years from the first allotment of Shares and thereafter will be terminable, surredut, on not less than six months' notice given by the Custodian to the Fund, or vice were, to expire on or it any time after the expiry of the initial two year period. Investment Advisory Agreement dated 28th August, 1955 between (1) the Fund.

son, on not less than six months' notice given by the Contodian to the Fund, or vice versa, to expire on or in any time after the expiry of the initial two year period. Investment Advisory Agroesment dated 28th August, 1945 between (1) the Fund, (2) the Manager and (3) John Govert & Co. Limited the "Investment Advisory whereby the Investment Advisor has been appointed in advise the Manager as to the investment and reinvestments of the Fund's assets, including continuing advice with regard at the investments of, and investment appointed in advise the Manager as to the investment and reinvestments of, and investment policy for, the Fund. The investment Advisor will receive a monthly fee psyable in advance from the Manager equivalent in 0.2 per cent, per amount of the value of the Net Assets of the Fund (as compared for calculating subscription price). The less are subject to review six manifa after the first allotment of Shares or in any time thereafter. The Agreement contains provisions indemnifying and exempting the Investment Advisor from habitary not due to its wilful breach of duty or negligence in certain circumstances. The Agreement will be terminable, sixe six, on not less than six toombu' notice given by the Investment Advisor in the Manager, (2) whe havesment Advisor to the Manager, or vice versa, so as to expire on or in any time after the expiry of the and of the initial two year period.

Delegation Agroessent dated 28th August, 1985 between (1) the Manager, (2) The Bank of Bermada (Guernacy) Limited the "Delegate" and (3) the Fund whereby the Manager under the Management Agreement referred to above, subject in the exchanion of certain matters. The fees under the Delegation Agreement are referred to in "Charges and Expenses" above. These fees are subject to review six months after the first allotment of Shares or at any time thereafter. The Agreement contains provisions whereby the Manager of thus or a tany time thereafter. The Agreement contains provisions whereby the Manager of thus or a tany time t

22. Insectionistics:

(a) The Fund is not engaged in any Eugetion or arbitration proceedings of material importance and the Directors are not aware of any Eugetion or arbitration proceedings of material importance pending or threatened against the Fund.

(b) The Fund has not established a place of business in Great Bekain. The Fund has on

(c) No shares or loan capital of the Fund have been or are agreed or are proposed to be issued as fully or partly paid up otherwise than in cash. issued as fully or partly paid up otherwise then in cash.

(d) Save as disclosed in "Details of the Fund" above, on commissions, discounts, brokerages or other special terms have been granted or are payable by the Fund in connection with the issue or sale of any capital of the Fund.

(e) No shares or loan capital of the Fund are under option or agreed conditionally or unconditionally to be put under option.

(f) There is on property purchased or acquired by the Fund or proposed to be purchased or acquired, which is in be paid for wholly or partly out of the proceeds of this issue or the purchase or acquired; which is not been completed at the date of issue of this Prospectus.

Prospectus.

(g) Save as disclosed berein on amount or benefit has been paid or given (or is intended to be paid or given) in any promoter.

(h) Save as disclosed in sub-paragraph (a) below and in section 22 above, on Director of the Fund has any interest, direct or indirect, in the promotion of the Fund or in any steets which have been acquired or disposed of by or leased in the Fund or are proposed to be acquired, disposed of by or leased in the Fund or in any transaction which is subsisting at the date of this Prospectus and which is unusual in its nature or conditions or significant in relation to the business of the Fund.

60 None of the Directors of the Fund has an interest in the share capital of the Fund which would be required to be shown in the Register maintained under the provisions of the Completies Act 1986 of Great Britain if the Fund was subject to the provisions of that Act. (i) Save as disclosed in section 2 above, the Directors are not aware of any person interest (directly or indirectly) in 5 per cent. or more of any class of the Fund's share capital the the provisions of Sections 32, 86 and 87 of the Companies Act 1985 of Great Britain fother than the penal provisions, so far as applicable having regard to Section 75 of that Act, shall apply to the allourness of Shares in pursuance of this Prospectors.

Of The prefininging expenses of the Fund and the expenses of the initial issue including the application to The Stock Exchange for listing are estimated to amount at £115,000. They are payable by the Fund and will be amortised over 5 years.

(m) The minimum amount which, in the opinion of the Directors, must be raised in order to provide for the matters referred so in paragraph 2 of the Third Schedule in the Companies Act 1985 of Great Britain, is \$700,000 (the whole of which must be raised by the initial issue) made up as follows:—

in purchase price of property, nil;
in preliminary expenses, £115,000;
in repayment of moneys borrowed for the foregoing, nil;
in working capital, £385,000.

from working Capital, E385,000. If such a sum is raised, the Directors are of the opinion that the Fund will have sufficient working capital for its present requirements. If the amount mixed by the initial offer is less than £700,000, no Shares will be issued and all application moneys will be returned by 4th October, 1985.

[6] Robson Rhodes have given and have not withdrawn their written consent to the issue of this Prospectus with their report included in the form and consent to which it is included.

(c) The documents delivered for registration with copies of this Prospectus to the Registrar of Companies in England were copies of the material contracts referred to above and the consent of Robson Rhodes. that dealings will commence on that date. (a) Advocate G. R. Rowland is a partner in Colles, Day & Rowland which will receive a fee lesting and the promotion and launch of the Fund.

and launch of the Fund.

th' The Directors intend to follow the investment policy referred to in "Investment
Objectives" above for at least three years following the grant of lating by The Stock,
Eschange. The Fand will not undertake legal or management control of any of its
underlying investments. The realisation of any investment of the Fund which, at the
Directors' valuation amounts in 50 per cent or more of the value of the Fund's Ner Assets,
will be conducted on shareholders' approval. 24. Documents Available for Inspec

24. Documents Available for Implection
Copies of the following documents may be inspected during the usual business hours on
any weekday (Saturdays and public holidays excepted in the registered office of the Fund
and at the offices of Linkhaters & Paines, Barrington House, 59–67 Gresham Street, London
ECEV 7JA up to and including 20th September, 1985—

(i) The Memorandum and Articles of Association of the Fund;
(2) The material contracts described above;
(3) The report and consent of Robson Rhodes referred in above; and
(4) The Companies (Guernsey) Laws, 1908 to 1973.

#### **Application Procedure**

In order to be allowed Stares in the initial offer, an application together with cleared funds must be received by the Manager or Cuernecy not later than 5.50 p.m. on 20th September, 1955. Thereafter applications for Shares may be made on any business day in Guernacy. Written Application

Direct written application may be made to the Fund c/o the Manager, John Govert Management (Guerraey) Limited, at P.O. Box 208, Bermuda House, St. Julian's Avenue, St. Peter Poxt, Guerraey, Channel Islands on the application form enclosed with this Prospectus, Applications not made on an application form should:

(a) state the amount to be invested in Govett High Income Gilt Fund Limited iminist

(b) state how payment has been or is being made of the amount due;

(c) confirm that the Shares are not being acquired directly or indirectly by a United States person (as defined above) nor in violation of any applicable law and that such Shares will not be owned beneficially by a resident of Guernsey, Addring or Herm;

will not be owned benedicially by a resident of Guerriney, Americary or reterms,

(d) confirm that the applicant has received and retained a copy of the Prospectus and that
the application is based on the terms thereof and subject to the provisions of the
Memorandum and Articles of Association of the Fund;

(e) State the name and address in which the Shares are to be registered and state whether
dividends arising should be reinvested in further Shares in the Fund at the prace
determined as described in the Prospectus;

if) state the agent's name and address, if applicable; (g) state if the contract note and certificate are to be mailed to someone other than the registered holder.

Applications must be accompanied by payment in accordance with the instructions given under "Payment Methods" below.

Telex Application Telex application may be made to the Fund c/o the Manager, telex number 4191186 BKBDCF C, containing the information set out in (a) in (g) inclusive under "Written Application" above, supported by payment described below in "Payment Methods". Telephone Application

Telephone application may be made to the Fund c/o the Manager, telephone number 0481-26768, when the price quoted will be contingent on the receipt of a reminance in settlement of the transaction upon receipt of the contract note and the return of the Registration form on the reverse of the contract note, duly completed. Payment upon receipt of the contract note should be made in accordance with "Payment Methods" below.

a system sections

If payment is to be made by cheque or banker's draft, the cheque or draft for the relevant
amount should be made payable in "john Govert Management (Guerrasey) Lamited a/c Govert
High Income Gik Fund Limited" and sent in the Manager, John Govert Management
(Guerrasey) Limited, P.O. Box 208, Bermuda House, St. Julian's Avenue, St. Peter Port,
Guerrasey, Channel Islands.

If payment is to be made by telegraphic transfer the investor should instruct his bank to effect payment of the relevant amount in Midhard Bank plc, 13 High Street, St. Peter Port, Guernsey, Channel Islands for the account of The Bank of Berrunda (Guernsey) Limited, account number 51015842, re Govett High Income Gilt Fund Limited, and quote the name of the applicant, If payment is not made in sterling any necessary currency transaction will be effected by The Bank of Bermuda (Guernsey) Limited on its normal banking terms on behalf of and for the Jaccoura of the applicant without responsibility as respects the Fund. General

After the initial offer closes, contract notes will be sent to the address of the first named applicant showing details of the transaction. Where application has been made by telephone, the investor will be sent a contract note and should immediately return one copy of it with a change of delit in explanation. a cheque or draft in settlement.

Certificates will be despatched in the applicant's risk normally within one month of the date on the contract note subject to the recept of cleared funds and the information referred to in "Written Application" above, if such funds and information have not been received within one month of the application, the allotment may be cancelled and the application montes returned without increase to the applicant at his risk land until returned, such montes may be used by the Fund for its own benefit, Unless otherwise requested the share certificateful will be despatched to the address given on the application form or to that of the first named application.

appacant.

The right is reserved to reject any application and to accept any application in part only. If any application is not accepted in whole or in part the application monies or the balance thereof will be posted to the applicant at the risk of the person entitled thereto. The Manager reserves the right to present all cheques and drafts for payment on receipt. Dated 50th August, 1985.

AGENT'S STAMP

Mr./Mrs./Miss

### **Application Form**

IMPORTANT: This form must be completed and returned with payment to the

Manager so as to arrive not later than 3.30 p.m. on 20th September, 1985. To: Govett High Income Gilt Fund Limited c/o John Govett Management (Guernsey) Limited,

P.O. Box 208, Bermuda House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands

I/We hereby authorise and request The Bank of Bermuda (Guernsey) Limited to effect any currency transactions which may be necessary to invest the application monies in the Shares applied for. I/We understand that the cost of the currency conversion will be deducted from my/our I/We acknowledge that I/we have received and considered a Prospectus relating to the Fund and this application is made on the terms thereof

and subject to the provisions of the Memorandum and Articles of Association of the Fund. I/We agree to accept the same or any smaller number of Shares in respect of which this application may be accepted, and I/we authorise you

to place my/our names on the Register of Members of the Fund in respect of the Shares allotted to me/us.

L'We authorise you to send at my/our risk m me/us a certificate for the number of Shares in respect of which this application is accepted to the address specified according to the delivery instructions set out in this form, and a cheque for any monies returnable by post to the address

I/We hereby declare that the Shares are not being acquired directly or indirectly by a U.S. person (see Note below) nor in violation of any applicable law and that they will not be owned beneficially by a resident of Guernsey, Alderney or Herm. in the event of any of the particulars given in this form ceasing to be true, I/we undertake forthwith in notify John Covett Management

**Delivery Instructions** Please tick the appropriate box

(a) Please forward details of pomince facilities

(b) Please forward the certificate(s) to the first named holder (c) Please forward the certificate(s) in the agent named

(d) Please forward the certificate(s) to the Bank and branch following:

Dividend Instructions

If you wish dividends to be re-invested automatically in further Shares, please tick the box If you wish dividends to be paid to a Bank, please complete the following information:

Application Details (please use block capitals)

Mr./Mrs./Miss

Signature(s) of All Applicants

Note: A Corporation should execute under its common seal or sign by a duly authorised officer who should state his representative capacity.

"A U.S. person" includes a national or resident of the United States of America, a partnership organised or existing in any state, territory or possession of the United States of America, a corporation organised under the laws of the United States of America or of any state, territory, or possession thereof, or any estate or trust, other than an estate or trust the income of which from sources outside the United States of America (which is not effectively connected with the conduct of a trade or business within the United States of America) is not included to gross income for the purposes of computing United States federal income tax. For the purposes of this definition "United States of America" includes the United States of America, as territories, possessions and greas subject to its jurisdiction.

If you are unable to make this declaration, you may still be able to certain circumstances to subscribe for Shares, but you should contact the Manager for details

2 Forename(s) in full.

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### Restructuring benefits lift BP to £859m

THE BENEFITS of restructuring over the past four years, particularly in the downstream refining and marketing business, bas shown through in British Petroleum's first half results with historical cost net profits up by almost 29 per cent.

Sir Peter Walters, the chairman, says the restructuring enabled BP to retain a competitive edge during one of the most turbulent periods the industry has faced.

has faced.

Second quarter historical cost net profits rose from £326m to £344m, close to the top end m City estimates, and lifted the figure for the first half of 1985 by £191m to £859m.

On a replacement rosts basis, which the group considers to be the better guide to underlying profitability, the increase was more marked with profits after tax for the half year rising to £859m, an improvement of 36 per cent over the comparable £630m.

With earnings per 25p share With earnings per 25p share emerging 10.4p higher at 47p the interim dividend is being stepped up from 10p to 12p net.

Looking ahead Sir Peter warns that world oil and currency markets remain fragile. None

markets remain fragile. None the less, he says he is confident about future prospects which will reflect the underlying improvement in group performance over the past four years.

During the second quarter a combination of weaker oil prices and the decline of the dollar produced realised stock losses of £113m, offsetting a similar level of stock profits recorded in the opening quarter.

of stock profits recorded in the opening quarter.
Overall, the adverse impact of the weak dollar on profits from exploration and production was balanced by the beneficial effect on refining and marketing.
This business demonstrated its competitive strengths in generally more favourable market caditions and produced one of its best quarterly results for several years.
The group also benefited from higher interest receipts on its

The group also benefited from higher interest receipts on its cash balances and other financial gains. In its first six months' trading in the foreign exchanges and capital markets, BP Finance International moved to take advantage of a number of favourble market opportunities. These included a series of debt issues on the Eurobond markets designed to reduce the average cast of the group's borrowings. cost of the group's borrowings. Sir Peter says that both of BP's main businesses per-

Technology & Export 1967-1984

coming on stream.

sustained.

Main landing

gear for the Airbus Industr A320

Electronics



thers . . . confident about future prospects which he says will reflect the under-lying improvement in group performance over the past four years

formed exceptionally well.

BP Exploration made an operating profit in the second quarter of £381m, £56m less than the first quarter's £437m. Higher production volumes in the North Sea and overseas were not sufficient to offset the lower sterling sales proceeds resulting from the weakness of the dollar and generally softer market conditions. Write-offs of exploration expenditure were also higher than in the first quarter. The group's gross production

higher than in the first quarter.

The group's gross production from the Nurth Sea averaged 516,000 barrels per day (b/d), compared with 509,000 b/d in the first quarter. Production resumed from the Bucban field following its sbutdown in the first quarter for maintenance work end the installation of gas injection fecilities. injection fecilities. Overseas production increased from 183,000 b/d to 186,000 b/d.

from 183,000 b/d to 186,000 b/d.
Lower liftings of crude oil from
Abu Dbsbl were offset by higher
production from other overseas
areas, principally the Kuparuk
field in Alaska. BP'e production from the North See is
expected to be lower in the
second half than in the first half
of this year.

The charge for exploration write-offs in the second quarter was £129m, compared with £81m in the first quarter. The write-offs included a charge of £10m for China and £27m for the

Increased overseas trading and improved margins helped lift turnover by 15% and pre-tax profits by 21%;

Well set to expand and improve the level of profitability.

Substantial exports helped offset problems of miner's

Heavy R&D investment and many new products

strike and depressed state of world coal industry.

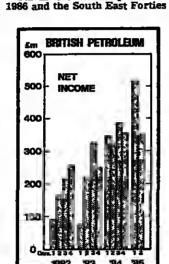
Improvements forecast now realised and should be

Strong indigenous growth aided by acquisitions.

Enhanced product range and access to new overseas markets should ensure steady expansion.

1985/86 opening order book up by over 30%.

Andrew field in the Nnrth Sea, a marginal discovery which cannot et present be developed commercially, the directore say. Capital expenditure continued et higher levels than last year. The South East Forties development in the North Sea and the Ula field in Norway are both expected to start production earlier than previously forecast.—Ula in the fourth quarter of 1986 and the South East Forties



development in the second quarter of 1987. In April production started from the Wolf Lake heavy oil project, in which BP Canada, the operator, has a 50 per cent interest.

BP Oil International's refining and marketing business recorded one of its best quarterly results for several years. Operating profit for the second quarter, at £115m, was almost double the profit achieved in the first quarter.

The improvement arose in Europe where the weakness of the dolar, belped to drive down supply costs in local currency terms. In eddition, the ending of the miners' strike in the UK of the miners strike in the Ok and the consequent reduction in demand for beevy oil contributed to the recovery in European refining margins. Outside Europe, results were satisfactory although lower than in the first quarter. iower than in the first quarter.

The directors point out thet although seasonal demand patterns and currency movements could place pressure on product margins later in the year, the competitive strengths which BP Oil International has developed from its restructuring programme—and which are reflected in the second-quarter results—mean thet future prospects remain broadly favourable.

The rationalisation of European refining operations is continuing with the programme of

Pre Tax Profits up 21%

and Record Orders

1984/85

£463m

£46.0m

£44.2m

£453m

13.2p

1984/85 Report and Accounts available from:

The Secretary, Dowty Group PLC, Arle Court,

The Annual General Meeting will be at the registered office. Arle Court, Cheltenham, on Monday 23rd September at 11.30am.

Cheltenham, Gloucestershire, England.

5.0p

Results in brief

Trading profit

Order book

Profit before tax

Earnings per share Dividend per share

Bridge Erection

Dividend cover

Turnover

1983/84

£402m

£42.3m

£36.5m

£340m

13.3p

4.5p 2.9

Large screen terminal with 80 and 132 column alphanumerics

plant closures et Llandarcy and at various locations in Germany scheduled to be completed by the end of the year.

In other group operations the eccond quarter operating profit for BP Gas was £14m lower than in the first quarter, following the normal seasonal pattern.

Second-quarter operating profits of BP Chemicals were £13m higher than in the first quarter, with firmer prices for ethylene and its derivatives and lower feedstock costs helping to push up margins, though not far lower feedstock costs helping to push up margins, though not far enough to match the second querter profit in 1984.

The second quarter loss at BP Minerals increased by £2m to £17m—an improved trading result was outweighed by a £7m increase in exploration write-offs.

offs.

Sohin, BP's U.S. subsidiary, continued to make a substantial contribution to group results. Its operating profit for the second quarter was £645m. The £550m profit from exploration activities was £84m lower than in the first quarter. This mainly resulted from increased exploration expenses, as well as the reduced sterling value of the dollar. dollar.

dollar.
Profits from Sohin's refining and marketing of £136m were substantially higher than the £48m earned in the first quarter. Refining margins improved significantly as light product prices strengthened. Sohio also benefited from a full quarter's income from the Gulf Oll refining and marketing assets.

marketing assets.

BP's capital expenditure and acquisitions programme cost £2.43bu for the half-year, a 50 per cent increase on the comparable 1984 period mainly due to Sohin's purchase of Gulf Oli refining and marketing assets in the first quarter.

Funds generated from operations of £2.9bn were some £330m higher than in the first half of 1984, leaving the group with a small funds surplus after financing the increased capital spending and payment of the higher 1984 dividend. The group's liquid ressurces increased by £278m over the half year to £2.6bn.

The group points out that three major restructuring decisions have been annumnced but are, as yet, insufficiently quantified to bave been included in the first-

### Exchange rates cloud **Blue Circle's** performance

Blue Circle Industries re-turned lower profits for the first six months of 1985 and blamed the shortfall predomi-nantly on exchange rate

movements.
Turnover for the period remained virtually static at £427.9m (£426.3m) but at the pre-tax level profits fell from £47.6m to £45m—the group is Britain's biggest cement

maker.
Yesterday the directors, headed by chairman Mr John Milne, said the results had been adversely affected by exchange movements and special factors applying to UK

operations,
Overseas most group companies traded well, South
Africa being the principal
exception, but exchange
movements during the half year were exceptionally vola-tile and distorted the operating performance of these

The results from overseas were translated buto sterling at rates of exchange ruling on June 30.

#### Distortion

The directors pointed out that the extent of the distortion was reflected in the fact that had the results been translated 'at average exchange rates over the six months, profits before tax would have been increased by £7.3m.

Thus added that if ex-

They added that if change rates continue to be erratic for the remainder of 1985 consideration will be given to changing the basis of translation in order to pro-

vide a fairer presentation of trading performance.

For the rest of the year UK cement deliveries are not expected to be significantly different from the previous

came into effect from June 1 will partially offset inflation but there will be continuing costs associated with the modernisation of Canldon and Dunbar with the full benefit being felt in 1986.

Overseas, the trend is ex-pected to be maintained but movements of currencies may affect the outcome.

Operating costs for the opening six months rose from £353.3m to £364.6m. Depreciation was little changed at £25.8m (£26m).

#### Demand

The pre-tax results were struck after adding in a £26.7m. (£20.1m) share of related companies profits and deducting net interest charges of £17.2m (£14.7m) and exceptional debits of £2m (£4.8m)

Tax accounted for £14.2m (£12.8m) and minorities for £3.4m (£5.1m). Extraordinary dehits took £0.5m (£2m).

The interim dividend is being held at 6p net from earn-

ing held at 6p net from earnings, pre-extraordinary items, of 23.1p (25.6p).

A geographical analysis of operating profits (£64.2m, against £67.1m) shows: UK £16.4m (£22.5m). U.S. £11m (£9.1m), Australasia £7.1m (£6.6m). Africa £10.4m (£14.4m). Latin America £13m (£5.7m) and Asia and other areas £6.3m (£8.8m).

other areas £6.3m (£8.8m).
Home trade cement deliveries, at 3.9m tonnes, were approximately the same as last year. Demand was at a very low level in the early part of the year because of severe weather conditions but

since then there has been n steady recovery.

The directors said that al-though the price increase will largely compensate for infla-tion in the second half, there was inevitably some erosion of margins in the first half.

#### Downturn

Armitage Shanks contri-buted overall £5.7m to operat-ing profit. The operations in the UK and the U.S. matched the results of 1984, but other overseas activities suffered

overseas activities suffered from reduced margins and a fall in demand.

The acquisition of Atlantic Cement in the U.S. was completed at the end of May, at a cost of \$145m. The group's other operations in the U.S. continued to perform well, with profits in local currency terms being close to these achieved last year.

In South Africa, the group shareholding in Bine Circle Limited will reduce from 50.3 per cent to 42 per cent at the

per cent to 42 per cent at the end of Angust as a result of Blue Circle Limited issuing shares to acquire the remaining 55 per cent shareholding in D and H Materials (Pty).

in D and H Materials (Pty). Limited issuing shares to acquire the remaining 55 per cent shareholding in D and H Materials (Pty).

The trading results suffered from a severe downturn in the country's economy and the declining value of its currency.

Group companies in Australia and New Zealand increased their contribution to overall profits, despite a 25 per cent decline in the value of both countries' currencies against sterling since June

### Asda over £119m and MFI merger is producing results

Associated Dairles Group, which recently merged with MFI Furniture, yesterday reported tamble profits of just over \$119m, against \$104.61m, for the 1984.85 year.

Althnugh MFI's results have not yet been consolidated, Mr Noel Stockdale, ADG's chairman, and that the merger was already

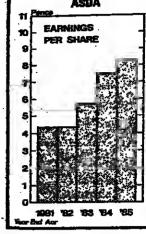
Attinue, air I results have not yet been consolidated, Mr Noel Stockdale, ADG's chairman, said that the merger was already producing results and the well-known trading names of the two companies would be given the name Asda-MFI.

On its nwn MFI earned a higher tarable result of £44.54m, against £39.1m, for the year to June 1 1985, on turnover up from £30.95m to £334.09m.

While Asda stores again generated the bulk of ADG's operating profits, the miners' strike caused problems in the second half. The chairman said that atthough sales through the 25 stores in mining districts hald up well until Christmas, as miners kept up their standard of living by running down services, "sales volume then fell off a cliff."

ADG also said that rising mortgage interest rates had cut into discretionary spending compared with the previous year, when rates bad been falling.

year, when rates bad been over up from £1.76bn to £1.93bn and were a struck after deprecietion of £95.48m, up from £81.92m, accounted for 85 per cent (86 per cent) of the group total. Associated Fresh Foods contributed slightly lets et £11.4m (£11.78m), Allied Carpets made £7.29m (£9.28m), and miscellaneous trading added £1m (£9.278,000).



Elsewhere, Wades Departmental Stores (sold in January) incurred a £295,000 ioss and Wallbridge Carpet was also in the red at £454,000.
Group profits for the year to April 27 were achieved on turnover up from £1.76bn to £1.95bn and was extracted of the departed.

### Saxon terms 'ungenerous' but offer recommended

Enterprise had made its offer for Saxon only on condition that the Saxon board recommended it but Mr Graham Hearne, Enterprise's chief executive, conceded yesterday that "the letter of recommendation is pretty glacial, not the warmest you ever did see."

In his letter Mr Carlisle says the Enterprise offer does not reflect Saxon's strategic value in whole or in part to third parties, but that in view of weakness in the oil market, the board recommend the bid "if no higher offer is forthcoming."

These expressions are a veiled invitation to other companies to outhid Enterprise. Mr Carlisle said last night. "I think other people might come in."

The unusual nature of the letter of acceptance, which heads the Enterprise offer document; both in the UK and overseas."

Enterprise Oil's £122m offer for Saxon, reflects the boardfor Saxon Oil "is not generous and fails to reflect sufficiently the underlying asset value of Saxon."

This is the argument put forward in a letter by Mr Brian Carlisle, the chairman of Saxon, which nonetheless recommends the Enterprise offer to Saxon shareholders.

Enterprise had made its offer for Saxon only on condition that the Saxon board recommended it but Mr Graham Hearney, the secutive of saxon, said it was "ebsurd" that executive, of any of its executives.

: t.

### Competition keeping Lec profit at reduced level

almost 38 per cent.
The interim dividend is beld at 40 net per share; last year's final was 8.5p. In the second half of 1984, turnover came to \$30.44m and the profit before

FIRST HALF profit of the Lec Refrigeration group reflects the extremely competitive nature of the industry this year, the directors state; but it does show a slight improvement on the second half of last year. In the six months ended rune 30 1985, the group, which makes and services a wide range of commercial and domestic refrigerators, lifted its turnover by £1.67m to £25.96m. Its presents of the profit, however, fell from £2.13m to £1.32m—equal to almost 38 per cent.

The interim dividend is beld the composition of the second half of the interim dividend is beld to fine the composition of the can hardly be expected to move shead much until there is another upswing in consumer demand of the kind the group enjoyed in 1983. For the moment tax to £1.22m. then, the shares, up 1p 246p, are likely to have few attractions, though the 7.3 per cent yield is the iong cold summer has solid support at this level.

### **Pound hits SAI profits**

THE SUBSTANTIAL fall in fertiliser profitability experienced by Scottish Agricultural industries last year continued in the first half of the present year. Sales volume was maintained but prices could not be increased to match the increase in raw material costs resulting from the weakness of the pound against the dollar.

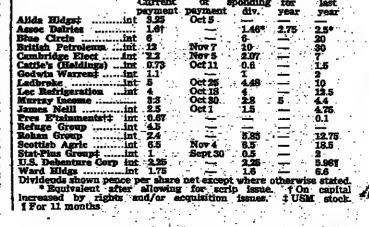
Directors expect pressure on Directors expect pressure on

margins to continue throughout the year.

In the six months to the end of June 1985 taxable profits tell-from £1.8m to £800,000 on turn-

investment there to modernise the gravolation plant and make the works capable of producing the full range of the company's products including those et present made at Aberdeen.

#### **DIVIDENDS ANNOUNCED**



### **UK COMPANY NEWS**

### MK Electric to pay £16.6m for Friedland

ligh

The Party

M.K. Electric, manufacturer of where the British electrical electrical wiring accessories and standard opplies. Friedland is fire alarms, is making an agreed active on the Continent and in \$16.6m takeover bid for Fried-

electrical wiring accessories and fire alarms, is making an agreed land Doggart, Britain's leading maker of door chimes.

The offer, of 320p in cash for each Friedland share, already has the backing of Mr John Doggart, the chairman, members of his family and other shareholders owning a combined stake of 43.73 per cent in Friedland.

Friedland's shares rose 100p to 315p yesterday while MK's stayed at 270p.

Friedland made a pre-tax profit of £2.3m on turnover of £12.1m in the year anded December 1984. It had net tangible assets of £9.1m and net liquid funds of £3.7m et that date.

It has ebout 80 per cent of the UK market for door bells and shignalling equipment for use in intrudar and fire alarms and makes rotationally moulded balls ond dolls.

The purchase will increase MK's position in the retail market for electrical components. MK is traditionally a supplier to the new construction and refurbshment markets but the

The purchase will increase MK's position in the retail market for electrical components. MK is traditionally a supplier to the new construction and refurbishment markets but the importance of retail and DIY sales bas been growing.

MK is particularly strong overseas in the Far and Middla East,

**John Govett establishes** two Guernsey funds

BY GEORGE GRAHAM

JOHN GOVETT, the London fund managers, has set up two offshore funds alongside its eight onshore nult trusts and four investment trusts.

Govett High Income Gilt Fund has pitched its initial estimated yield at 12 per cent. paid gross. It needs nimble footwork to maintain this high income without eroding the capital value of the invest-

Govern admits that part of the high immediate return may be achieved at the expense of capital though it will seek to maintain capital values over the longer term. The second fund, Govett

International Managed Fund, will invest in a portfolio of Govett's existing onshore unit

The managers are taking an initial charge of 7.5 per cent, because they will be paying 5 per cent commission to brokers

and intermediaries, not the 3 per cent laid down by the Unit Trust Association.

Govett justifies the higher commission and initial charge by saying that investors in the International Managed Fund will be spared the cost of switch-ing frequently from one fund to

The managers admit the investment performance of their long-established International Growth unit trust, with which the new fund might be compared, is pedestrian over the long term. But in the last 12 months the group has turned in better performance figures across the range of its funds.

Units in both funds are offered at 50p until September 20, with a minimum investment of £1,000. The funds are based in Guerasey, and both will apply for distributer status from the UK Inland Revenue.

#### COMPANY NEWS IN BRIEF

COSTAIN GROUP has sold the COSTAIN GROUP has sold the assets of Pilcon Engineering—its drill manufacturing subsidiary—for £250,000 to the English Drilling Equipment Company, a subsidiary of the private EDECO Group. English Drilling, which has a turnover of about £2.5m, will become the largest British manufacturer of percussive, diamond coring and underground drilling rigs.

WHEWAY WATSON HOLD-INGS' directors said yesterday that they knew of no reason for the recent upward movement in the recent upward movement in the group's shares, but stated that they were at an edvanced stage in discussions which may lead to a "substantial acquisi-tion" of a complementary com-pany. The consideration would be satisfied by the issue of new ordinary shares. Wheway closed last night at 210, up 240. last night at 21p, up 21p.

GREENFIELD BLACKS has pob-GREENFIELD BLACKS has poblished tha terms of its rescue rights issue. Just over 37m new shares will be offered on the basia of two-for-one at 11p each raising £3.8m after expenses. The issue bas been nnderwritten by Arbuthnot Latham and brokers are L. Messel. In the market,

> LADBROKE INDEX 1.000-1.004 (+9) Based on FT Index

changed at 13p yesterday.

VALIN POLLEN International, YALIN POLLEN International, the USM quoted poblic relations group, bas reached conditional agreement to acquire APT Photoset, a London-based computerised typesetting company, in a performance-related deal worth up to £1.5m. The cash and shares applicate the will be reid. to £1.5m. The cash and shares consideration will be paid in three instalments, with a first payment of £350,000 on completion. APT was established as a partnership in 1979, and in the year to November 50, 1984; made pre-tax profits of £46,486 on turnover of £1.1m.

BRYSON OIL & GAS made a taxable profit of £45,219, against £21,241, for the 1984 year. There was no tax (£4,310). Earnings per share amounted to 0.7p (0.3p). There is no dividend but a one-for-10 scrip issue is proposed.

STAT-PLUS GROUP, stationery, printing and furniture retailer, saw pre-tax profit in the first half of 1985 increase by 46 per cent to £675,000 (£461,000) on turnover up from £2.22m to £2.71m. From earnings of 5.5p per 5p share, against 3.4p last time, the interim dividend of this USM-quoted company is doubled to 1p. Mr Derek Bird, chairman, says that the markat remains buoyant and trading is excellent. STAT-PLUS GROUP, stationery

### Spice chief charges delay USM

flotation By Lucy Keliaway

GORDON SPICE, the cash and carry chain which was due to jein the USM next month, has postponed its flotation. The company's financial comptroller was charged last week with misappropriation of funds.

Mr David Roberts, who foined the company in February this year, was discovered in the course of the Stock Exchange's standard vetting procedures to have

stock Exchange's standard vetting procedures to have been previously imprisoned on charges of fraud.

The loint managing director of Gordon Spice, Mr Charles Tippet, said yesterday: "We were put onto this by the City but our controls would probably have picked it up before long."

The flotation has been put off until the beginning of next year when a set of audited figures for the current financial year will be available.

available.

Mr Tipett, who described the incident as "a hiccup, not a set back" said: "We

not a set back" said: "We feel we owe this to prospective investors. After the audit they should feel fully confident about what they are investing in."

Mr Robin Kamman of Capel Cure Myers, the company's stockbrokers, said the company will probably come to the market in the first two months of next year, "When we are happy that all is as it should be we will proceed

we are happy that all is as it should be we will proceed with the flotation," he said. Gordon Spice operates a cash and carry business for the motor trade, selling primarily to High Street spare shops and garages. The company, which was founded 20 years ago, made profits last year of £477,000 on sales of £16.2m. This year sales of nearly £20m are expected, and profits of about £600,000. The company was planning to raise about £1.5m at the flotation, which it intended to use for expansion and

use for expansion and acquisitions. The delay will not materially affect the com-pany's plans. "After waiting twenty years, a few mouths more are neither here nor there," said Mr Tippet.

#### **Murray Trust** takeover row

By Martin Dickson

The £150m takeover bid by the Merchant Navy Officers' Pension Fund for Mucray Growth Trust reaches its first closing date today amid a over the precise value of the

Murray Growth claims that shareholders are being offered only 92 per cent of net asset value, compared to the fund's figure of 100 per cent. Murray reaches its fig-ure by subtracting 5 per cent for various costs said to sur-round the takeover and by taking inte account an inde-pendent revaluation of its unquoted shareholding in Robert Fleming, the merchant bank. It says that "this sur-plus, of which you could be deprived, accounts for some 3 per cent of Murray Growth's net assets."

However, the pension fund replied yesterday that it was unrealistic to suggest that the formula to be used for calculating net assets value would represent a cost to shareholders of as much as 5 per cent. It added that it had always recognised that the valuation of unquoted investments made at the time of the last accounts might be subject to edjustments in the light of

enancing circumstances.

"The formula for calculating net asset value reflects this fact. Murray Growth ordinary and "B" ordinary shareholders are assured they will receive 100 per cent of a fair net asset value on this hasis."

### Tel: 01-427 4411

"Substantial Advance" in first-half results

from Independent Newspapers Turnover IR£39,787,000 + 5.8%

Pre Tax Profit IR£2,238,000 + 66%

 Earnings per share 10.7p + 103% Interim dividend increased to 5p per share

Turnover in the period increased from £37,618,000 to £39,787,000, while profits before taxation improved from £1,347,000 to £2,238,000, the highest figure achieved before taxation improved from £1,347,000 to £2,238,000, the highest figure achieved in any six-month period by your Group. This substantial advence was a result of e worthwhile increase in the performance of all the Group's trading divisions. Earnings per share were 10.70p. In the light of the improved out-turn, it has been decided to increase the Interim Dividend to 5p per share.

Trading conditions for the national and provincial newspapers in Ireland continued to be extremely difficult but overseas, the results of all the subsidiaries and associates were encouraging, with noteworthy improvements in Britain, France, Australia and

Although conditions for circulation end advertising in the Irish newspaper market continue to be extremely competitive and recessionary, your Board views the outlook for the Group as a whole, with cautious optimism. The broadening international spread of your Group's medie interests offers the prospect of further growth in the years ahead end the results for the current full year are expected, as in the six months now ended, to show e substantial and worthwhile improvement over 1984.

Extracts from the Interim Statement of Dr. A. J. F. O'Reitly, Chairman of Independent Newspapers PLC, for the half year to 30th June, 1985. Copies of the Interim Statement of Independent Newspapers PLC are available from The Secretary, Independent House, Middle Abbey Street, Oublin 1.

### **Bunzl** in four deals on international front

BY FRANK KANE

Bunzl, the UK paper group, has made four acquisitious for a total of £14.2m to expand its existing operations at bome, in the U.S. and in Australia.

TENESTO

By far the largest part of the consideration is eccounted for by the purchase of Monmouth Paper, an independant U.S. paper distributor based in New Jersey. Mr Kenneth Anderson, Bunzi's finance director, said yesterday that the acquisition would complement the Jersey Poper Company, which was the group's first buy in tha U.S. in 1981.

It has also hought Regan Paper and Plastics, a supplier to the industrial and food service markets, based near Tampa, Florida. This business now operates under the name of Runsi USA Tampa Bunzi USA Tampa.

ASH bas criticised Security Centres for failing to provide financial information on the year ended March 1985. ASH and Security Centres are

tion coverage is extended vie QPM Industrial Products. This operation distributes packaging materials in Queensland, and will trade in Brisbane as a division of Bunzl Australia.

Of the total purchase price, s13.2m is to be met out of cash resources—with the U.S. portion funded by dollar borrowings—and the balonce by floating rate five-year loan notes.

Turnover of the combined businesses totalled £35m, providing taxable profits of £3m pro-forms. Net assets being acquired are £9.8m. Mr Anderson said that be expected them to odd more than film in profits to Bunzl's figures for the 1985 year.

Bunzl recently failed in a bit-terly contested bid for the bear-ings group Brammer, and still has most of the £54m proceeds from last January's rights issua intact. Mr Anderson indicated that the group was on the look-The group's industrial division is increasing its UK activities with the purchase of Morane Plastic, of Staines, Middlesex, e manufacturer of plastic laminating products and accessories, while in Australia the distributions from last January's rights issue intact. Mr Anderson Indicoted that the group was on the look-out for further opportunities to expand, and Identified the U.S. West Coast as a priority area.

### **ASH wins 20% of rival**

THE £20.3m takeover bid from Automated Security (Holdings) (ASH), for Security Centres "revitalised" UK alarm operations. The holders of 19.95 per cent of Security Centres' shares by Wednesday's first closing dete. The holders are to believe the market.

ASH, which already owns a 4.78 per cent stake in the rival intruder alarms group, yesterday extended its five for six share nifer until September 11. The cash alternative has been closed.

Security Centres shares remained unchanged at 122p yesterday while ASH rose 2p to 153p. At this level the share offer is worth 127.5p for each Security Centres' share.

Security Centres said that the level of acceptances demon-strated most shareholders agreed that the offer failed to recognise

Security Centres urged share-bolders not to belp ASH by sell-ing their shares in the market. It promised it would send fur-ther information to sharebolders in the near future commenting ou current trading and pros-

currently engaged in a lagal battla following the break-down of an agreement under which ASH would have paid up to £8.5m for Security Centres UK alarm lusiness. US\$ 100 000 000.—

#### Credit Suisse Finance (Panama) S.A.

114% Guaranteed Notes, Series A, due 1992

100 000 Warrants to subscribe

US\$ 100 000 000.- 113% Guaranteed Notes, Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the Terms and Conditions of the captioned issues, that US\$ 1 000 000 principal amount of Series A Notes have been drawn for redemption at 101% of their principal

The serial numbers of the 1000 Series A Notes of US\$ 1000 each, drawn for redemption and representing

US	<b>S</b> 1 0	00 000	) prin	cipal :	amou	nt, ar	e as fo	llows	:										
242	5511	10027	15041	20152	24227	20671	22998	67719	42486	97529	26215	55512	66379	69247	74622	80155	84224	D 950 D	73540
292	3516	10221	18072	20194	29222	28547	52062	37739	42201	47587	52556	50725	22666	69302	74 73 9	80222	09437	89926	72697
312	5750	10238	15070	20208	24200 24498	87017	33235	37747	62576	77255	33376	58734	23727	40422	79000	80233	24677	70233	75015
1005	2277	10270	12122	20577	24498 34999	27126	22222	37563	72278	47007	22875	27022	63082	44907	72001	50 791	34903	10401	75620
1025	4035	10444	15175	20477	89723	34314	E2288	54010	42012	. 7002	52824	27222	43889	78026	73245	80775	03057	40415	92887
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1851	9208	11272	19799	21778	24971	29941	53954	56362	63485	98158	53996	20124	69182	70598	72792	80766	82219	71139	79257
1605	1556	11227	15862	91209	25059	29669	52982	58777	49 140	45243	24885	20178	99397	70498	72279	81031	69493	91167	76289
1970	6351	11542	15707	81245	85162	Z9705	33465	28656	96200	68412	34363	60477	96621	78657	73390	91033	03927	71177	76542
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4829	7205	16164	19561	23228	28072	22105	56593	61582	42991	52375	57651	62988	28479	72684	79117	85525	88727	54617	79122
6700	7878	19199	19995	23792	28277	52197	64612	61571	97522	52792	579 08	62125	26268	72702	77170	85820	88200	74650	77781
4915	7728	19295	17666	23984	28592	62195	54277	91603	97126	82819	57547	62180	28701	79190	79238	83799	38673	77651	95434
2027	7577	19485	19798	25027	28694	52288	27099	71827	67168	52877	57871	65170	65720	77247	77275	83783	99415	77718	79770
4268	4244	14407	17512	23150	28672	B2379	37201	71822	77221	22397	64782	92222	28740	74577	77787	-3397	-7138	74777	7 7556
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The Notes drawn for redemption will become due and payable on October 7, 1985 together with accrued interest for the period from February 13 to October 7, 1985.

On and after October 7, 1985 the Series A Notes so redeemed shall cease to bear interest.

As of this date, the outstanding principal amounts are:

Series A Notes: US\$ 89 000 000,-Series B Notes: US\$ 11 233 000.-

Zurich, August 30, 1985

**CREDIT SUISSE** as Fiscal and Principal Paying Agent

ind ind

**BP INTERIM RESULTS, 1985** 

### Restructuring Pays Dividends

Oil prices have fallen, the dollar remains volatile and the prospect of an upturn in demand seems more distant than ever-small wonder that most energy companies are finding it difficult to achieve creditable performance, let alone record profits.

That's why BP's half-yearly results make encouraging reading. Our replacement cost profits, for example, were 36 per cent higher than the previous year and our second quarter figures on that basis were actually our best ever.

That's just part of the story:

Interim dividend is increased to 12p per share;

Earnings per share are up 28 per cent to 47p;

Our main businesses-exploration, production, refining and marketing, performed exceptionally well; Our US subsidiary, Sohio, made another major contribution to group

profitability; Record capital spending entirely financed out of cash flow;

How have we done it?

Shrewd planning and tough decisions. In fact, over the last four years, we've made some drastic changes - streamlining our operations and businesses, overhauling our group structure and, most important of all, taking a long, hard look at our corporate strategy and objectives - always with an eye on the future. Our ability to anticipate market changes rather than simply to react to them,

has enabled us to maintain a competitive edge during one of the most difficult periods our industry has ever faced. We are confident that we can retain that edge. Because a company that looks ahead has a habit of staying ahead.

1985	1984
Half Year	Half Year
£859m	£630m
£859m	£668m
12p	10p
	Half Year £859m £859m



### **Britain at its bes**

### Refuge Group Half-year Statement 1985

Overall, both new business and premium income made good pragress in the first half of 1985, with particularly strong contributions fram pensions business and unit-linked single premiums.

The Industrial Branch results are encauraging in view of the withdrawal af Life Assurance

Premium Relief.	First 6 First 6 manths manths 1985 1984 £'000 £'000	1984
ORDINARY BRANCH Premium Income	15,498 14,269	28,767

1,894 2,196 3,892 104 36 119 Single Premiums Pensians Business: Annual Premiums General Annuities: Single Premiums UNIT-LINKED 9,010 6,800 14,101

Premium Income New Business Annual Premiums Assurances: 6,672 13,760 Single Premiums
Pensions Business: Single Premiums (Introduced 1st May 1985) INDUSTRIAL BRANCH

Premium Incom New Business 32,212 30,442 61,981 Annual Premiums 6,831 6,631 12,398 Assurances: GENERAL BRANCH Premium Income
CANTERBURY LIFE 5,145 5,223 10,018

1,382 (Acquired 15th April 1985) Refuge Group PLC

Telephone: 061-236 9432

## Bank & Treland

U.S.\$50,000,000 Floating Rate Capital Notes 1989

In accordance with the provisions of the Notes notice is hereby given that for the three months interest period from 30th August, 1985 to 29th November, 1985 the Notes will carry an Interest Rate of 835% per annum. The interest payable on the relevant interest payment date, 29th November, 1985 against Coupon No. 24 will be U.S. \$21-17.

By: Morgan Guaranty Trust Company of New York, London

#### **UK COMPANY NEWS**

### Ladbroke exceeds City forecasts

rise 85%

in first half

Alida Holdings, which came to the USM in October 1984, has announced an 85 per cent increase in pre-tax profits from £541,000 to £1m for the first half

Mr R. Stone, the chairman of

effects of the raw material price Capital expenditure is ahead of

capital expenditure is alread or previously announced levels. In 1984, £1.5m was spent, and the group anticipated spending ebout £2m on new plant in 1985. Major items of equipment were commissioned in the first half, including a six-colour Flexo printer.

Alida profits

rose from 5.46p to 7.32p.

Turnover moved ahead from f453.8m to £576.2m, producing operating profits of £31.4m says the chairman, and the majority of apartments st 10 Hyde results seem to even out over that all three Ladbroke core are now sold. All 13 of the Savoy bookles' side of the counter, so

Ladbroke Group has surpassed City expectations with an 80 per cent increase lot interim pre-surpassed interess of the Manhattan Tower project, and the henefits of the Manhattan Tower project are still to come in the second half.

Analysts had been expecting the classys electronic relail operation, which lest time relail operation, which lest time relail operation, which lest time results on Manhattan to be included in the figures for the directors have decided to hold it over. The second half will show "excellent group in the period of the completed exists as whole will show "excellent growth in profits and earning per share."

Manhattan had been expected to loid the year as e whole will show "excellent growth in profits and earning per share."

Manhattan had been expected to last time to as much as \$256m, but in the event the group was able to achieve \$255.5m without it. compared with £14.2m last time.

The hetter than foresed result, and the prosperty operations the profits and the prosperty operations in the profit of the profit of \$25m.

The hetter than foresed conding hotel and the profits and the prospers shares by tip to 2970, a high for 1985. Earnings per shares of \$250 m even better second half. If the date when the group's stares by tip to 2970, a high for 1985. Earnings per shares of the profit of the profits and the prospers of the event had profited early useful for the profit of \$25m.

Turnover moved alhead from the profit of \$250m.

The profit of \$250m.

The completion at the profit of \$250m.

The profit of \$

297p per share (up 10p yester-day) the shares are by no means the steal they were six months ago; but a 5.5 per cent yield keeps the odds interesting.

### Rapid growth for Williams

THE much transformed Williams
Holdings group of founders,
engineers, and vehicle dealers
reports pre-tax profit ahead by
88 per cent to £2.69m for the
first half of 1985, end says propects for the remainder of the
year are encouraging, and is
raising its dividend forecast to 7p.
On top of this, since June 30
borrowings have been further
reduced through the realisation
of investments and the receipt
of proceeds from disposals which
beve not been completed. A
further significant reduction in
borrowings, therefore, is expected
by tha end of the year.

Figures being reported are
prepared on a merger accounting basis to include J. & H. B.
Jackson, the acquisition for
shares of which was declared
unconditional on May 1. Both
groups incressed their profits,
says Mr A. N. R. Rudd, the
chairman, although an accurate
analysis is not possible. The
integration of Jackson has been
smoothly concluded and the
creation of the forging division
embracing Omes-Faulkners will
soon be completed.

When bidding for Jackson the
Williams directors were promising a dividend of 2p net per
share for the year 1985, In view
of the strengthened balance
sheet and strong cash flow, and
in the absence of uniforeseen
circumstances, they are now expecting to recommend 7p.

In the balf year turnover
advanced by over Fidum to
Proven Street Consolidated
Plantations, Samual Haath.

Pursuer Dalay

The integrated wind williams

The fidum of the fidum of the previous day's

figures and their small slip to
to a closing of speculative positions rather than any gloom
about the numbers, for there was
nothing disappointing about the
valuation of the strengthened balance
sheet and strong cash flow, and
in the absence of uniforeseen
circumstances, they are now expecting to recommend 7p.

In the balf year turnover
advanced by over Fidum to
Pursuer Dalay

Pur

this Derbyshire-hased polythene packaging manufacturer, says that better-than-expected profit in the first quarter of the year is reflected in the half-year The second quarter, while very ratisfactory, was affected by the seasonally quiet trading and increased raw material prices. The group has had to absorb part of this as market conditions prevented passing on all the increases.

He adds that prospects continue to be encouraging, and expects that the full-year's profits will be appreciably higher than the £1.25m achieved in 1984. the £1.25m achieved in 1984.

The directors have declared an interim dividend of 3.25p, which is 1p more than indicated in the prospectus last year. Stated net earnings per share are shown ahead at 12.48p (7.45p).

In his interim statement Mr. Statement Mr. Stone says that the group's penetration into new markets and the development of new products tended to mitigate the

pecting to recommend 7p.

In the baif year turnover advanced by over £10m to £47.85m, from which a gross

profit of £9.32m (£7.15m) and e strading surplus of £2.77m have been confounded: the country were exceptional credits of £210,000 (£440,000) and tax took £635,000 (£238,000). Leaving the net profits at £2.26m (£1.54m). Earnings are shown at 13.1p (10.5p) per share hasic and 10.8p (8.1p) fully diluted. There are extraordinary credits of £43.000 (debits £1.72m).

Mr Rudd says e number of £43.000 (debits £1.72m).

Mr Rudd says e number of £43.000 (debits £1.72m).

Mr Rudd says e number of £43.000 (debits £1.72m).

Mr Rudd says e number of £43.000 (debits £1.72m).

The group's Ford dealership in Coventry also sits oddly with the group's other up-market dealerships and could go. The future is unlikely to see any stating divisional structure, with two exceptions.

BOARD MEETINGS

TODAY

Interime: Anglo American Gold Investment, Sritish Agrospace, Darek
eryant, Church, Mecdonold Martin Plebileries, Molynx, Pamerbe,
Finals: Consolidated Plantations,
Heynes Publishing, Samual Heath,
FUTURE DATES

J. & H. B. Jackson has enabled it to reduce gearing from over 100 per cent at the last year end to ebout 33 per cent now and puts it in e good position to make further acquisitions. On present form £6m looks likely for the year, giving fully-diluted earnings of about 21p after a 25 per cent tax charge. The prospective p/e ratio of 16 has the shares looking a little pricey for this sector even after the decline. Colline (William)

Precutex Clothes

Fergabrook

Fische

London United Invest
Matthewa (Bernard)

Moorgate Group

Pacer Systems

Rampo Oil Services

tals and has suffered through public spending cuts: this business could be ripe for at integration into the Derby operations. The group's Ford dealership in Coventry also sits oddly with the group's other up-market dealerships and could go. The future is unlikely to see any abatement in Williams' expansion, for the cash that came with J. & H. B. Jackson has enabled it to reduce gearing from over

Financial Times Friday August 30 1985

**Company Notices** 

### AZIENDA AUTONOMA DELLE FERROVIE DELLO STATO

U.S. \$250,000,000 Floating Rate Notes 1988 Convertible until February 1986 into 91/4 per cent. Bonds 1992

For the six month period 30th August, 1985 to 28th February, 1986

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 85/10 per cent, per ammm, and that the interest payable on the relevant interest payment date, 28th February, 1986 against Coupon No. 11 will be U.S. \$216.44.

S.G. Warburg & Co. Ltd. Agent Bank

NOTICE TO THE HOLDERS OF THE ISSUE 81% 1977-1989 of US\$50,000,000

#### made by the European Coal and Steel Community

The Commission of the European Communides Informs herewith the bearers of bonds that a selection by lot for a principal amount of US\$2,500,000 has taken place in the presence of a Notary Public on August 7, 1985 by Banque Internationale 2

Number of bonds selected by lot:

Principal amount of bonds purchased: US\$500,000. Principal amount called for redemption: US\$3,000,000.

Principal amount unamortised after October 1, 1985: US\$35,000,000. The Bonds selected by fot will be reimbursed and/or after October I, 1985 with coupon on October 1, 1986 and following attached in accordance with the terms of payment mentioned

Luxembourg, August 30, 1985.

THE REPUBLIC OF PANAMA UA 20,000,000 CREDIT FONCIER UA 20,000,000

31% 1978/1993 Bonds

On August 16, 1985, Bonds for the smount of UA 436,000 have been drawn far redemption in the presence of a Notary Public. The Bonds will be redeemable coupon no. 3 and following stracked on end after 0 ctober 2, 1985.

The gumbers of the drawn Bonds DE FRANCE ECU 50,000,000

and following summer of the drawn Bonds or to be follows:

8,918 to 8,353 incl.

Amount purchased on the market:
UA \$64,000.

Amount outstanding: UA 18,000,000,

Luxembourg, August 30, 1996

THE FISCAL AGENT

KREDIETBANK 6.A.

LUXEMBOURGEOISE

Cent.
Coupon No. 17 will be payable on 28th November 1986 at price of ECU 231.60 representing 82 interest days covering the period from 28th August 1986 to 27th November 1985 inclusive.

CREDIT LYONNAIS-LUXEMBOURG

### **Company Notices**

CAMBRIDGE
ELECTRONIC
INDUSTRIES PLC

Interim Results
For the six months ended 30th June 1985

Turnover increased from £63.0m to £72.7m
Profit before taxation increased
from £5.0m to £5.3m

Earnings per share maintained at 9.1p
on increased share capital

Interim dividend per share increased
from 2.07p to 2.20p

Mr Rupert Jones, chairman of CEI, comments:

"The first six months of 1985 have seen a somewhat hesitant and irregular pattern of trading in the electronics market worldwide. In the light of the adverse trading conditions prevailing, the group has performed well. Future performance, in the short term, will depend upon improvement in the level of activity in the industries which the group serves. For the longer term, the group will seek to position itself in relation to those areas where sustained growth may be anticipated."

Copies of the Interim Report and of the 1984 Annual Report are available from the Serverary, Cambridge Electronic Industries pl.
Beannic House, 100 Hills Read, Cambridge CB2 110



#### TRANSVAAL CONSOLIDATED LAND AND EXPLORATION COMPANY, LIMITED ("TCL")

RAND MINES PROPERTIES LIMITED ("RMP")

(Both nf which are incorporated in the Republic of South Africa) Members of the Barlow Rand Group

ACQUISITION BY RMP OF CERTAIN PROPERTIES AND MINE RESIDUES IN MAYFAIR SOUTH FROM TCL

INTRODUCTION

INTRODUCTION

Agreement has been reached between the directors of RMP and TCL in terms of which RMP is 10 ecquire from TCL certain undeveloped properties, sand dumps and a slimes dam ("the Mayfair South properties") for a consideration equivalent to R14.705 million. The effective date of the transaction is 1 September 1985. THE MAYFAIR SOUTH PROPERTIES

THE MAYFAIR SOUTH PROPERTIES

The Mayfair South properties extend over approximetely 43.5 hectares of land, and include certain mineral rights, sand dumps and a slimes dam adjacent to Amalgam, west of Johannesburg. Most of the land is suitable for medium term development into industrial and commercial townships and is in close proximity to property et Crown Mines owned by RMP. The sand dumps contain approximately six million tons of mining residues with an estimated average in situ grade of 0.93 grams of gold per ton. The sand dumps extending over 21.5 hectares of freehold can he treeted for the recovery of gold at favourable working costs because of their proximity to RMP's Crown Mines plant. The stimes dam covering twelve hectares is unlikely to be suitable for gold recovery purposes at current gold prices. Twelve hectares of lend is unencumbered. Industrial rights attach to Effects ON RMP

EFFECTS ON RMP EFFECTS ON RMP
The acquisition of the Meyfair South properties will bave no effect on the earnings end net asset value per share of RMP for the year ending 30 September 1985. Treatment of the sand dumps is due to commence during the 1986 financial year and is thereafter expected to make a meaningful contribution to the profitability of RMP. The proclamation end sale of the industrial and commercial townships will also contribute to the profitability of RMP in the medium term.

EFFECTS ON TCL The disposal of the Mayfeir South properties will have a negligible direct effect on the net asset value and earnings per share of TCL. However, TCL will benefit indirectly through its substantial shareholding in RMP.

OPINION
Standard Merchant Bank Limited is of the opinion that the acquisition by RMP of certain properties, sand dumps and a slimes dem in Mayfair South from TCL, for a consideration equivelent to R14,705 million, is fair and reasonable to the shareholders of RMP and TCL.

U.S.SIS MILLION GUARANTEEO
FLOATING RATE NOTES 1985
The interest rate abplicable to the above
contineers of the submitted contineers 30th August 1988 has been
lared at 8 ps. per cent per annam.
The interest amounting to U.S.S432.88
per note of U.S.SIO.000 will be paid on
28th second 1988, against presentation
No. 9. ANK LEUMI (UK) pic

#### **EMPLOYMENT CONDITIONS** ABROAD LIMITED

An international association of employers providing confidential information to its member companies, relating to employment of expatriates and nationals worldwide.

Tel: 01-637 7604

NOTICE OF REDEMPTION

### **European Coal and Steel Community**

5%% 20-Year Bonds of 1967 Due October 1, 1967

NOTICE IS HEREBY GIVEN that, pursuant in the provisions of the Peying Agency Agreement daled as of October 1, 1967 by and between the European Coal and Steel Community and The Chese Manhattan Bank (National Association), as American Paying Agent, and the European Paying Agent, \$1.264,000 in principal amount thereof

The serial numbers of the coupon Bonds to be redeemed are set forth below in groups from one number to another number, both inclusive, except such as shall have been previously called for redemption or otherwise relired:

The serial numbers and principal amounts of the registered Bonds to be redeemed in

In case of partial redemption of a fully registered Bond, the American Paying Agent, as Authenticating Agent, will authenticate and dativer coupon Bonds or fully registered Bonds of authorized denominations in exchange for, and in aggregate principal emount equal to, the unredeemed portion of any fully registered Bond redeemed in part.

Interest on the above Bonds (or portions thereof) shall cease to accrue on the redemption date and on the date the redemption price will become due and payable on each of such Bonds (or portions thereof) called for redemption.

Payment of coupon Bonds to be redeemed will be made upon presentation and surrender thereof. Logether with all coupons, if any, maturing subsequent to the redemption date, at The Chase Menhaltan Benk, N.A., Corporate Sinking Fund Operations, Box 2020, 1 New York Pizza, 14th Floor, New York, New York 10031 or, at the option of the holder, at Banca Commerciale tellana Sp.A., Sed of Milliano, 6 Pizza della Scale, Milan, Italy; S. G. Warburg & Co. Limited, 33 King Williems Street, London, England, EC4 9AS; Banque Internationale à Luxembourg S.A., 2 Boulevard Royal, Luxembourg, Grand Ouchy of Luxembourg, Grand Ouchy of Luxembourg, Grand Ouchy of Luxembourg, Grand Ouchy of Luxembourg, Grand Fund Ouchy of Luxembourg, Grand Couchy of Luxembourg, Grand Fund Surrenders (Bernale de Banque, S.A., Montagne du Parc 38, Brussets, Belgium; or Société Générale de Banque, S.A., Montagne du Parc 38, Brussets, Belgium; or Société Générale, de Banque, S.A., Montagne du Parc 38, Brussets, Belgium; or Société Générale de Banque, S.A., Montagne du Parc 38, Brussets, Belgium; or Société Générale de Banque, S.A., Montagne du Parc 38, Brussets, Belgium; or Société Générale de Banque, S.A., Montagne du Parc 38, Brussets, Belgium; or Société Générale de Banque, S.A., Montagne du Parc 38, Brussets, Belgium; or Société Générale de Banque, S.A., Montagne du Parc 38, Brussets, Belgium; or Société Générale de Banque, S.A., Montagne du Parc 38, Brussets, Belgium; or Société Générale de Ban

EUROPEAN COAL AND STEEL COMMUNITY
By: THE CHASE MANHATTAN BANK, (NATIONAL ASSOCIATION)

Kingdom of Denmark U.S.\$ 37,500,000 Floating Rate Notes due 1995

In accordance with the description of the Notes, notice is hereby given that for the second interest period.

August 27, 1985 to February 27, 1986, the Notes will carry an interest rate of 8, 2875 % per annum.

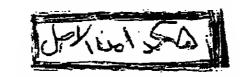
The interest payable on the relevant interest payment date, February, 27, 1986 against coupon n° 2 will be U.S.\$42,358.33 for each Note of U.S.\$1,000,000 and U.S.\$21,179.17 for the Note of U.S.\$500,000.

The Agent Bank **KREDIETBANK**  Legal Notices

THE HIGH COURT 1985 No. 7270 P IN THE MATTER OF RTD GROUP PLC AND IN THE MATTER OF THE COMPANIES ACTS. 1963 TO 1963

NOTICE IS HEREBY GIVEN that a Petrice presented to the High Court of Ireland on 22 Aggust 1985 for confirming the reduction of the capital of the shore named company from IRS-964.84.23 to IRS-175,000 is directed to be heard before the High Court of Ireland on 11 September 1985 at 11 o'clock in the forescen at the Four Courts. Dublin 7.

DUDLEY



President rises 61% and

makes further purchase

President Entertainments, the theme restaurant group, yesterday revealed details of its second acquisition in two weeks along with its announcement of a 61 per cent profits rise for the traditionally quieter first half period.

BUILDING SOCIETY

A MEMBER OF THE BUILDING SOCIETIES ASSOCIATION Notice is hereby given in accordance with the Society's Rules that, as from 7th September 1985, the rates of interest per annum payable on

investment accounts will be as follows:

Basic rate

9.75%

9.50%

9,10%

8.80%

8.75% 8.00%

7.25%

7.00%

7.00% 6.75%

13.00%

B. SIMS (Secretary)

Differentials on accounts not listed where the

Yields on S.A.Y.E. accounts are unchanged.

Interest on accounts subject to basic rate tax

**MORTGAGE INTEREST REDUCTION** From 1st September 1985 the Society's standard mortgage rate is being reduced to 12.75% per

annum. Notice of reduction is being given to existing borrowers and will be effective in accordance with the period of notice specified in their legal

**Bristol & West Building Society** 

Head Office, Broad Quay, Bristol BS99 7AX.

Assets exceed £2,000 million. Shares and Deposits in this Society are Trustee investments.

Service at over 500 branches & agencies

from Aberdeen to Penzance.

will be reduced by 1.25% net p.a.

interest payable is linked to the Fully Paid Share

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ACCOUNT

4

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4

Special Three Month

£20,000 and above

£5,000 to £19,999

£1,000 to £4,999

Bristol Plus Account

Savings Shares

Bluecard

Deposits

charge.

30th August 1985

'Snoopy' Savings

**Fully Paid Shares** 

A.V.C. Accounts

**Bristol Triple Bonus** 

#### **UK COMPANY NEWS**

### CEI profit rises 4.7% midway

IN THE light of adverse trading conditions, the directors of Cambridge Electronic Industries feel the group has performed well in the first balf of 1986, increasing its trading profit by £388,000 to £5.46m from a turnover higher by £9.7m at £72.7m.

 $^{i,q_{h}}$  .

Pan Delie

45 

There has been a "somewhat hesitant and irregular pattern" of trading in the electronics market worldwide. By contrast tha group improved on the defence and electronics systems side, and showed a strong performance in specialist engineering.

Looking ahead, they say the short term will depend upon improvement of ectivity in the industries served; for the longer term the group will seek to position itself in relation to those areas where sustained growth may be anticipated. may be anticipated. Net interest char

In the U.S. data processing and automatic test equipment markets suffered a marked downturn, which had a significant effect on the performance of Electrol Inc.

**GROSS** 

Equivalent a

13.93%

13.57%

13.00%

12.57% 12.50%

11.43%

10.36%

10.00% 10.00%

9.64%

Gross

profit.

Even without Specac (formerly Analytical Accessories) whose figures are included for the first time), specialist engineering sales have increased by 33 per cent. This expansion has led to a growth of 50.7m in profit.

comment king shead, they say the market statered a market nown-term will depend upon term will depend upon term, which had a eignificant term will seek to positively in the longer the group will seek to positively in relation to those where sustained growth participated.

In the UK, the telecommunications and computer industries have also been depressed.

Even so, UK component compute in the US, where electronics sector. But there was no such participated problems of the domestic electronics sector. But there was no such participated problems of the domestic electronics sector. But there was no such participated which made e film profit in 1984.

half-year has risen to £186,000 (£66,000), leaving the pre-tax profit up £238,000—4.7 per cent—to £5.27m. Tax takes £1.77m (£1.61m) and minorities £113,000 and leaving per share of 9.1p (same). The interim dividend is lifted to 2.2p (2.07p).

A break-down of the trading profits and electronic systems of the new sub MTL. Microtesting, and the growth has generated en additional profit shows electronics and electronic systems £1.41m (£931,000), specialist engineering £1.26m (£58,000).

In the U.S. data processing now damaging the U.S. downturn would be for Elec-Trol and yesterday's group profits cama ont fim or so below outside estimates. Though 350 staff out of a total of 800 have received their last pay cheque from Elec-Trol unless there is an upswing in volume the U.S. business could remain in loss throughout the year. That will continua to depress the group though as long as UK engineering and defence divisions perform well profits might get close to f13m. Even after yesterday's 17p fall to 293p that still leaves the prospective p/e close to 13 which is a fairly cheerful rating for the sector. CEI is a well run group but with a poor market and a short order book it cannot completely buck the trend and the shares are what brokers enphemistically cali "fully valued."

- THIELD.

### Jas. Neill forges ahead with 81% rise halfway

A BETTER performance by the 2208,000 (£262,000), leaving a UK subsidiaries of James Neill profit of £3.3m (£1.12m) on ordinantiacturer, belped it to continue its recovery by raising presion fund contributions.

President Entertainments, the theme restaurant group, yesterday revealed details of its second acquisition in two weeks along with its announcement of a 61 per cent profits rise for the traditionally quieter first half period.

With the Flanagan's restaurants purchase under its belt, President is acquiring the Grunts and Bates Restaurants Group, which operates three restaurants: Bates of Covent Garden, L. S. Grunts Chicago Pizza Works, Covent Garden, and Chicago Pizza properties will pay en initial Fresident achievade higher frazion of fill-14m depending upon pay en initial Fresident achievade higher frazion of fill-14m depending upon pay en initeration of fill-14m depending upon pay en tinue its recovery by raising pre-tax profits 81 per cent to £2.5m in the six months to June 30, 1985, compared with £1.38m in the first half of last year. Sales by its overseas sub-sidiaries rose marginally but operating profits ere down 44 per cent to £158,000 (£283,000) be-cause of the impact of currency movements, says Mr. Hugh Neill, chairman. chairman.

Earnings per share were more than doubled at 12.8p against 6.2p and the interim dividend is being raised to 2.5p compared with 1.5p.

Mr Neill says the home market the says the says the home market the says th

Mr Neill says the home market demand for tools, especially in the engineering field, remains fragile and the strength of sterling inevitably makes export sales more difficult.

"However, the board remains confident of the ontcome of the current financial year," he says. The group, based in Sheffield, has been undergoing e slimming operation and he says the relocation of its manufacturing in the

operation and he says the reloca-tion of its manufacturing in the city should be complete by the end of the year.

Total home and overseas sales were up to £27.33m (£26.82m), less the transfer to overseas companies of £2.34m (£2.16m). Exports fell slightly to £7.98m (£30.10). Overseas companies, sales

Home sales rose 4.0 pm.

£15.25m (£14.59m).

Groun operating profits were up to £3m (£1,77m) including a 94 per cent rise in the profits of \$2.85m to £2.85m

sion fund contributions.
There was an extraordinary
debit of £946,000 (£952,000) for
reorganisation and an extraordinary credit of £563,000 (nil) from the sale of land and buildings. erif3scu3urbiK cmf cmf cmfwyg comment

James Neill's profit and dividend were both a little better than expected and found a warm response in the market, nudging the shares up 6p during the day to 152p. This was no thinks to the group's overseas companies, whose contribution nearly halved to a missrable 5756 000 on sales to e miserable £156,000 on sales of £6.5m: although sales rose by 12 per cent in local currency 12 per cent in local currency terms, they fell victim to odverse shifts in exchange rates. The UK, however, saw a doubling of operating profit, partly through the success of James Neill's venture into DIY tools which has produced £2m of sales in the year since it started last September, and partly through the group's vigorous cost-cutting. Productivity has risen from an annual output of £23,800 per person to £27,900 in the year to June and continues its upward trend. Meanwhile the relocation programme, now epproaching less the transfer to overseas companies of £2.34m (£2.16m), Exports fell slightly to £7.98m (£8.00). Overseas comnanies' sales rose to £6.46m (£6.41m) and Home sales rose 4.5 per cent to £15.25m (£14.56m).

Groun operating profits were up to £3m (£1.77m) including a 94 per cent rise in the profits of UK companies to £2.88m (£1.48m). Interest charges took (£531,000 (£387,000) and tax trend. Meanwhile the relocation programme, now epproaching convolutions, is eating away et the overheads. The second half is usually stronger than the first and many of the cost savings made have yet to show through, but the disruption caused by relocation relocation programme, now epproaching completion, is eating away et the overheads. The second half is usually stronger than the first and many of the cost savings made have yet to show through, but the disruption caused by relocation suggests a cautious guess et £5m for the full year. After e 15 per cent tax charge, the shares look modestly priced on a prospective p/e ratio of 6.

### Retail expansion trims Cattle's profits advance

the year with a 33 per cent increase in pre-tax profit on e rise in turnover of 24 per cent. And the directors say the figures would have been better but for the cost of opening 24 Rosebys stores being borne in the period and the increased cost of borrow-

In the six months to the end of June 1985, the Hull-based financial services and retailing group made taxable profits of £1.11m (£835,000) with turnover shead by £8.4m to £43.5m. From

earnings per 10p share of 1.5p (1.22p), the interim payment is being raised to 0.725p from 0.6p. Last time there was a total payment of 1.5p from taxable earnings of £1.95m.

The directors say they are extremely pleased with the progress of the first half and with the prospects for the second half.

the prospects for the second half, particularly taking into account the recent downward trend in

interest rates.
They add that Rosebys produces most of its profits in the second half

#### **NOTICE TO LOMBARD DEPOSITORS** 14 Days Notice 12-28% 8-59% Cheque Savings Accounts 8-22% 11-74% nce is £250 to £2,500 6-72% 9-61%

Lombard

North Central

17 Bruton St, London W1A 3DH

Telaphone 01-621 1212

7.3 8.7

8.5 11.1 4.9 8.0 18.7 20.5 7.8 9.0 3.9 3.7

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers

Over-the-Counter Market

Prices and details of services now available on Prestal, page 48146

8 Lovat Lane London EC3R 8DT

### ASEA AB

KD 4,000,000 8 per cent bonds due 1989

In accordance with Cinuss 4(F) of the Terms and Conditions of the Bonds, Sonds bearing the following terial numbers have been called for redemption at par on let October 1985, to complete the annual anking fundingsignment due on that date.

40 BONDS OF DENOMINATION KD. 5,000 EACH 343-344

ords listed above should be nurrendered to the Principal nying Agent or to either one of the Paying Agents whose idreases are given below for payment together with all diseases are given below for payment together with all enabled the coupons attached thereto, isling which the use value of the missing unmatured coupon will be adulted from the relevant amount stored coupon will be adulted from the relevant of the relative coupon within a eriod of fivn years from the relevant date in respect of mprincipal of the relative bond he bonds listed above will cause to bear interest from its October 1865. Total nominini value of the bonds outlanding after this redemption will be KD. 2,700,000.

PRINCIPAL PAYING AGENT

PRINCIPAL PAYING AGENT
KUWAIT INTERNATIONAL INVESTMENT CO. c.s.k.
Gets No. 1. \*\*C. Floor
Al-Snihin Commercial Complex
Febad Al Sniem Street
Kuwait

CITIBANK N.A. Citibask House 336 Strand London WC2R 1HB MORGAN GUARANTY TRUST CO OF NEW YORK 35 Avenue des Arts 8-1040 Stussels

Kuwait International Investment Co. s.a.k.

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E. Sydney Juckson

Both eppointments are effective immediately and support the Company's initiatives to become a more fully diversified member of the international financial services community.

#### NOTICE OF REDEMPTION

To the Holders of

### Bank of Tokyo (Curação) Holding N.V.

U.S. \$100,000,000 125% Guaranteed Bonds Due 1992

NOTICE IS HEREBY GIVEN to the holders of the 12%% Guaranteed Bonds Due 1992 (the "Bonds") of Bank of Tokyo (Curação) Holding N.V., a Netherlands Antilles corporation established in Curação (the "Company"), that pursuant to Condition 5(b) of the Terms and Conditions of the Bonds, the Company has elected to redeem, on October 1, 1985, a part of the Bonds in the aggregate principal amount of U.S. \$2,000,000 and hearing the following serial numbers at the redemption price of 101% of the principal amount thereof, together with accrued interest to such date of redemption which will amount to \$84.52 for each Bond.

SERIAL NUMBERS OF BONDS TO BE REDEEMED

Payment of the redemption price and accrued interest to such date of redemption will be made on pr after October 1, 1985 upon presentation and surrender of the Bonds to be redeemed, together with all appurtenant coupons maturing subsequent to October 1, 1985 at the principal offices of any of the following Paying Agents, namely, The Bank of Tokyo Trust Company in New York City, The Bank of Tokyo, Ltd. in Brussels and London, The Bank of Tokyo (Luxembourg) S.A. in Luxembourg and Bank of Tokyo (Switzerland) Ltd. in Zurich, except that payment of the above-mentioned accrued interest will be made only at the aforesaid office of any Paying Agent other than the Paying Agent in New York City. On and after October 1, 1985, interest on the Bonds to be redeemed will cease to accrue.

BANK OF TOKYO (CURAÇAO) HOLDING N.V. By: The Bank of Tokyp Trust Company as Fiscal Agent

Dated: August 30, 1985

#### ADVERTISEMENT -

#### THE MANUFACTURERS LIFE INSURANCE COMPANY

Thomas A. Di Giacomo

The Board of Directors of The Manufacturers Lifa Insurance Company is pleased to announce the appointment of E. Sydney Jackson as Chairman of the Board and Chief Executive Officer. Mr. Jackson has served as President eince 1972.

Thomas A. Di Giacomo, formerly Executive Vice-President, has been appointed President and Chief Operating Officer. Mr. Di Giacomo brings to his new role an extensive background in the investment field.

The Manufacturers Life Insurance Company is a major inter-national financial institution, headquartered in Toronto, Canada, with assets exceeding C\$14 billion.

# HOLDINGS plc

#### INTERIM REPORT (unaudited)

- Pre-tax profit advances by 85%
- Interim dividend exceeds Prospectus forecast by 1p net per share
- Capital expenditure ahead of previously announced levels

"Prospects for the group continue to be encouraging and I expect that the full year's profit will be appreciably higher than in 1984."

R. Stone, Chairman

		ths ended June	Yuar to 31 December	
Results in brief	1985	1984	1984	
	2000	2000	_€000	
Tumover	13,667	12,842	25,451	
Profit before tax	1,002	541	1,249	
Dividend perahare	3.25p	_	<b>2.</b> 5p	
Earnings per share	12.48p	7.45p	16.8p	

scheme

around £70m.

### THE PROPERTY MARKET BY MICHAEL CASSELL

### Trafford Park awaits bid

OWNERSHIP of 2.5m sq ft of secondary industrial floorspace in Manchester, already ewash with unwanted accommodation, may not constitute the 1985 railway. Even so, the company has a machine a restrict developproperty market's most glitter-ing prize but the prospect is clearly attractive enough to propost a potential bidder into making advances to Trafford

This week's disclosure by the directors of an approach from a mystery suitor, which could lead to a full-scale bid, puts tha spotlight on a company with a proud past and a useful, if unexciting, record of profit and dividend growth.

Formed to ploneer industrial development around ester towards the end of the last century—it had a Stock Exchange quotation by 1890— Trafford Park's activities played a big role in establishing the city as the industrial capital of

After its public debut however, the company was enveloped in scandal and e share ever, enveloped in scandal and e share collapse saw Baring Brothers, the merchant bankers, playing property actually owned by the the City gentlamen by stepping in and repaying shareholders at the flotation price. Barings, petual ground rents. The last outside valuation, conducted in and Baker,

chairman and chief executive, Westbrook says that, under generation of Pethe company has been steadily his guidance, most of the recent and retail parks.

railway. Even so, the company bas purchased useful development sites within the Trafford Park enterprise zone, where it has been concentrating on the development of small industrial

Today, the company also owns

a total of around im so ft of mixed commercial space in centres like Hereford, Sundarland, Wakefield and Cambridge, where it is developing 268,000 sq ft of office and high-tech floorspace. At the end of 1984, it purchased a £3.4m portfolio of industrial, office and retail investments in Bristol and Avon-month from the County of Avon Superanniation Fund. In the year ended June 1984, net rental income reached £3m and pretax profits amounted to £2.4m. In the year just ended they are likely to have risen to over

units.

through Outwich Investment
Trust, still bold just over 5 per
cent of tha equity and are
retained as one of the company's
bankers. Nick Toosey, o Liverpool-based chartered accountant
is Barings' local representative
on the board.

Trafford Park's recent history
has been less colourful and,
under Neil Westbrook, the
chairman and chief executive.

emphasis has been on employing profits to build up the rental portfolio, rather than "pumping up by selling off property assets." With about 18 months to go before retirement, he can be just about as impartial as anyone in the company can be when it comes to evaluating any forthcoming hid.

He adds: "We will have to see how any offer compares with our evaluation of the company's worth but we are not automatically opposed to any out-side approach. I usually get one about every three months and it remains to be seen if the latest is more interesting than

None of the directors themselves have a significant share-bolding in the company — with around 300,000 of the 10.6m issued ordinary chares. West-brook has the largest stake and, apart from Barings, the only other significant holdings involve Britannic Assurance (12.1 per cent) and Largs (8.4

per cent).

Largs is the Manx-based in vestment company run by John Whittaker and which holds a near-50 per cent stake in Peel Holdings, the rapidly expanding retail development specialist where Whittaker is chairman. Peel is known to be on the take-over trail and has one or two quoted companies in its sights quoted companies in its signts.

It would not be surprising if
one of them was Trafford Park,
given land holdings which
would provide plenty of scope
for the creation of the next
generation of Peel superstores
and retail parks

### **Expansion plan for** Ransomes at Ipswich THE U.S. office building hoom continues to defy record-break-

• Save & Prosper says that property is again becoming an attractive investment med-

inn, with good prospects for increases in both rental increases in both rental income and capital values. The annual report for Save & Prosper's Property Fund shows that it produced an infinition-heating increase of 11

sucus that it produced an in-flation-beating increase of 11 per cent in its offer price in the 12-month period up until June this year.

S & P says the retail market—to which about 60 per cent of the portfolio is committed—still looks increasingly attractive, with continuing strong demand from tenants and investors. The report adds: "At a time when former outlook for many other former.

outlook for many other forms of investment is less favour-

able than over the past several years, the attributes of

subject to the vagaries of

tinue to be more widely re-cognised."

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58,090

RANSOMES Property Developments, e subsidiary of Ransomes Sims & Jefferies, the Ipswich-based engineering group, has won outline planmised commercial develop ment on part of the 120-acre site it owns in the town.

The decision follows Ransomes' successful completion of a first, 20-acre phase and its letting to tenants like Debenhams, Volvo, Marks & Spencer and British Telecom. Funding for earlier stages was provided by Bass Char-rington and Schroeders while Ransomes has itself financed some nursery unit develop-

No single funding partner is being lined up for the next phase and Ransomes, whose own operations cover around 130 acres of adjoining land, is prepared to offer a wide range of leasing-purchasing ontions to occupiers. The company says it has a serious inquiry for an eight-acre site from a high-tech business and that it eventually envisages some retail warehousing op-

erations on the land.

A marketing campaign for the next phase is to start at ence and will extend to Scanis ideally situated for over-seas companies, given its proximity to Felixstowe—the UK's largest container port. The estate is being renamed

BY ORDER OF LIQUIDATORS HOMERTON HIGH ST E9

### U.S. boom continues

ing vacancy rates in most of the nation's major commercial centres, according to new statistics published this week. The latest report from The Office Network, a nationwide real estate broking and invest-

ment services organisation, shows that the U.S. office vacancy rate, after climbing continuously from ground 5 per cent in 1980, is now levelling off at 16.3 per cent. But at the same time, office construction continues to beat all previous records, with 177m sq ft of accommodation under way, a level exceeding the 1981 high of 165m sq ft.

The survey, which only includes office projects of over 20,000 sq ft and also excludes government and medical office buildings, points out that two-thirds of the construction activity is occurring in suburban markets which will provide markets, which will provide nearly 60 per cent of the nation's office space by the time the latest wave of development s complete.

The President of the President of the State Absorption rates for office floorspace are, however, also running et very high levels, with just under 76m sq ft being lease at an initial rent of £35,000 a year. The site was purchased for \$400,000 and a pre-Christmas opening is planned. Peel is also planning taken np by occupiers in the last twelve months. The last last twelve months. The last record was set in 1981, when take-up reached 61m sq ft. But although available office space is running at nearly five times that level, the report says national average rents rose by nearly 4 per cent over the first half of 1985 new DIX stores in Tunbridge Wells, which it has agreed to let to Texas Homecare, in Tonbridge, Kent, and in

### Major projects get docklands go-ahead

announcements this week on two major developments worth nearly £150m.

Despite a planning inspector's recommendation that they should be refused, the Secresnould be refused, the secre-tary for the Environment has granted outline planning con-sent for two competing develop-ment projects proposed for land at Limehouse Basin.

It was also announced that the biggest office project yet seen in docklands is to go ahead within the Isle of Dogs enterprise zone.

The Limehouse Basin proposals, which went before a public inquiry last year after objections from the Greater London Council and Tower Hamlets council, were put forward by the British Waterways Board and Hunting Gate Homes, in competition with a scheme submitted by Grosvenor Estate Commercial Develop-ments and Wates Built Homes. British Waterways owns the site in question and has the support of the London Docklands Development Corporation.

The BWB plans envisage tha development of extensive hous-ing, around 100,000 sq ft of s, shops, restaurants and o marina.

The inquiry inspector rejected both applications because of their scale and impact on the

THE pace of construction Minister decided that the bens-activity in London docklands is set to increase further following any problems they might create appropriate this peak of

Given its ownership of the land and the pledged support of the LDDC, the Waterways. Hunting Gate project must now be the last farming to be the hot favourite to proceed and the partnership is expected to seek detailed consent for a which could

the Meanwhile, formed property development arm of Marples International now part of Consolidated Gold Fields, has pipped other potestial developers to the post in purchasing a five-acre site in the heart of the enterprise rome. Existing buildings on the site were scheduled for refurbishment but when it became clear that the proposal was unviable, Marples came up with a re-development plant ecceptable to the Corporation. The land changed hands, through Grant and Pariners, without an open market tender taking place.

Now Meroles plans a 330,000

so ft speculative office scheme, on which work will start in October. The first, 125,000 sq.ft net phase of the Siefert designed. project is expected to cost around £16m and is being funded by U.S. based National funded by U.S.-based National Leasing and Finence Company and Security Pacific Inter-national Leasing. They are providing interim end long term finance but will not be occupy-ing any of the developed apace.

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Company Notices

### MELLON BANK NA

US\$250,000,000 FLOATING RATE SUBORDINATED CAPITAL NOTES **DUE NOVEMBER 1996** 

Notice is hereby given that for the period August 30th 1985 to November 29th 1985 the Notes will carry an Interest Rate of 81 per cent per annum. Interest payable on November 29th 1985 will be US\$1,042.71 per US\$50,000 Note.

> CHEMICAL BANK as Agent Bank

### Company Notices

AIRLEASE INTERNATIONAL FINANCE LIMITED

US\$30,000,000 8%% GUARANTEED BONDS 1988

The Bonds were drawn in the presence of Miss E. F. A. Fogus, Notary Public and Mr. R. C. Underdown, Kleinwert, Inchmed Street, London ECSF 3D 2.

On or after 1st October 1985, the above Bonds may be presented for redemption at their principal amount at the specified offi appointed as mentioned in the Conditions of the Bonds. Each of the above Bonds, when presented for redemption, must be set appoint at the referentiate date. It is above the amount of the missing tenant are designed to the same date for payment. The Coupons due on 1st October 1985 should be presented for necessarily the necessarily.

rood. 12.15 am | Chaffis (S). 3.00-4.00 Gloria

London NW11.

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September 15th 1985.

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3

### FT COMMERCIAL LAW REPORTS

### Digest of Trinity Term cases

FROM JULY 26 TO AUGUST 21, 1985

When the subcontractors, who were nominated to build a swimming pool in a leisure complex, withdrew from the site, the main contractors objected to the employers' recomination on the grounds that: (a) the completion date on the subcontract overran the main contract's completion date and (b) it did not cover remedial work. The Court of Appeal upheld a decision that the cootractors could reasonably object to a subcontractor who did not offer to complete his part of work within the overall completion period. Similarly, if the employer did not provide for the new subcontractor to carry out the remedial work, he bad not carried out his renomination obligation.

The Zephyr (FT, July 30)

A broker, when obtaining signatures on a reinsurance slip, indicated to the leading underwriter that the risk was likely to sign down to not more than one third. It had signed down only 1920, 42 were contributed lishility. sign down to not more than one third. It had signed down only to 88.48 per cent when liability arose. A subsequent underwriter, from a different syndicete, claimed damages for breach of the broker's duty of care, and was successful at first instance. The decision was overturned in the Court of Appeal on the ground thet no signing down indication had been made to subsequent underwriters. The court sequent underwriters. The court expressed doubts as to whether a expressed todors as to whether a broker owed a dnty of care when giving a signing down indication, bot did not find it necessary to decide the point.

1889

In a charterparty of the Notos, the discharge port was named as "one safe sea-line Mohammedia." Clauses 6 and 8 in the charterparty exoperated the charterers from liebility for delay due to any "reason what soever over which the charterer has no control." At the time of delay due to any "reason whatsoever over which the charterer
has no control." At the time of
notice of readiness to discharge,
the swell was such that oo vessel
could use the only sea-line. In
dismissing the owners appeal in
e demurrage dispute, the Court
of Appeal held that as the sealine was the only one at which
the ship could have berthed,
clause 6 applied when the
charterers required the vessel to
discharge there but it was unable
to do so. When the Notos later
had to leave the sea-line because
of the swell the charterers were
exonerated from all demurrage. conerated from all demurrage.

Midland Bank pic and Another v Laker Airways and Others (FT,

Refinery Ltd; Ellis v BP Tyne Tanker Co Ltd; (FT, August 6)

In computing its liabilities to corporation tax, BP calculated corporation tax, BP calculated that it would pay to renounce its elaims to capital allowances, either wholly or in part. The tax inspector, on the other hand, beld that BP was obliged to credit the allowances in full. In dismissing the inspector's appeals against a decision of the Special Commissioners, Mr Justice Walton said that corporation tax legislation did not affect the fundamental pramise of income tax practice that the taxincome tax practice that the taxpayer, in making his claims, could elect to take as much or as little of the capital allow-ances as be pleased.

The Myrto (No 3) (FT, August 7)

When the Myrto was sold under court order in 1977, the costs of discharging the cargo fell initially on the ship's mortgages while the cargo-owners guaranteed to reimburse him should they eventually be found liable. In a subsequent test

and Food (FT, August 9)

Berni Inns, were required to con-tribote to the cost of insurance which was taken out in the landwhich was taken out in the landlords name. The premises were
destroyed by fire and the landlords sought to bring an action
against the tenants for negligence, and for the insurers to
recover damages by subrogation.
In dismissing the landlord's
appeal, Lord Justice Kerr said
the intention of the parties was
that the tenant should have an
interest in the insurance and
in the event of fire, whether
caused by negligence or by accident, the landlords' loss was to
be recouped from the insurance
money and they were to have
no further claim against the no further claim against the tensors.

Regina v Registrar of Companies, ex parte Esal (Commedities) Ltd (FT, August 14) The courts must refuse to

entertain matters in respect of which Parliament, by clear words or oecessary implication, had enacted that they should not have jurisdiction, Lord Justice Lawton said when allowing au appeal by the Registrar of Companies on the conclusiveness of his certificate of registration of e charge registered by Esal. At first instance, the judge had allowed evidence that particulars of the charge had been deli-vered out of time. Section 93 of the Companies Act 1948 sta-ted that the Registrar's certificate was "conclusive evidence" of compliance with the Act's requirements so that any evidence to the contrary was inad-missible, the Appeal Court held.

Bourgoin SA and Others v Ltd v Oriental Credit Ltd and Ministry of Agriculture, Fisheries Wells Fargo Bank NA (FT,

Laker Airways and Others (FT.

August 2)

Mr Justice Leggatt misdirected

The Court of Appeal held that Summary judgment against the Minister of Agriculture's Oriental Credit Ltd and Wells decision to prohibit the Import Fargo NA for 3512,300 each, was

FROM JULY 26 TO AUGUST ZI, 1989

Fairclough Building Lid v Rhuddlan Boreugh Council (FT, July 26)

When the subcontractors, who were nominated to build a swimming pool in a leisure complex, withdrew from the site, the main contractors objected to the employers' recomination on the arrounds that (a) the completion date on the subcontract overrain the main contract's completion date and (b) it did not cover remedial work. The Court of Appeal upheld e decision the the cootractors could reasonably object to a subcontractor who did not cover remedial work. The Court of Appeal upheld e decision the the cootractors could reasonably object to a subcontractor who did not offer to complete his part of work within the overall completion period. Similarly, if the employer did not provide for t The award of that tribunal was final and binding.

> Phoenix General Insurance Co of Greece SA v Halvanon Insurance Ltd (FT, August 20)
>
> Phoenix, a Greek company which was authorised to carry on aviation insurance business in London, negotiated certain contracts with the defendant reinsurers for "aviation contingency sins," which did not fall within the scope of Phoenix's anthority. As a result, Phoenix inadvertently committed a criminal offence under the Insurance Act 1974. The reinsurers sooght to avoid the reinsurers and following the Bedford Insurance case, Mr Ltd (FT, August 20)

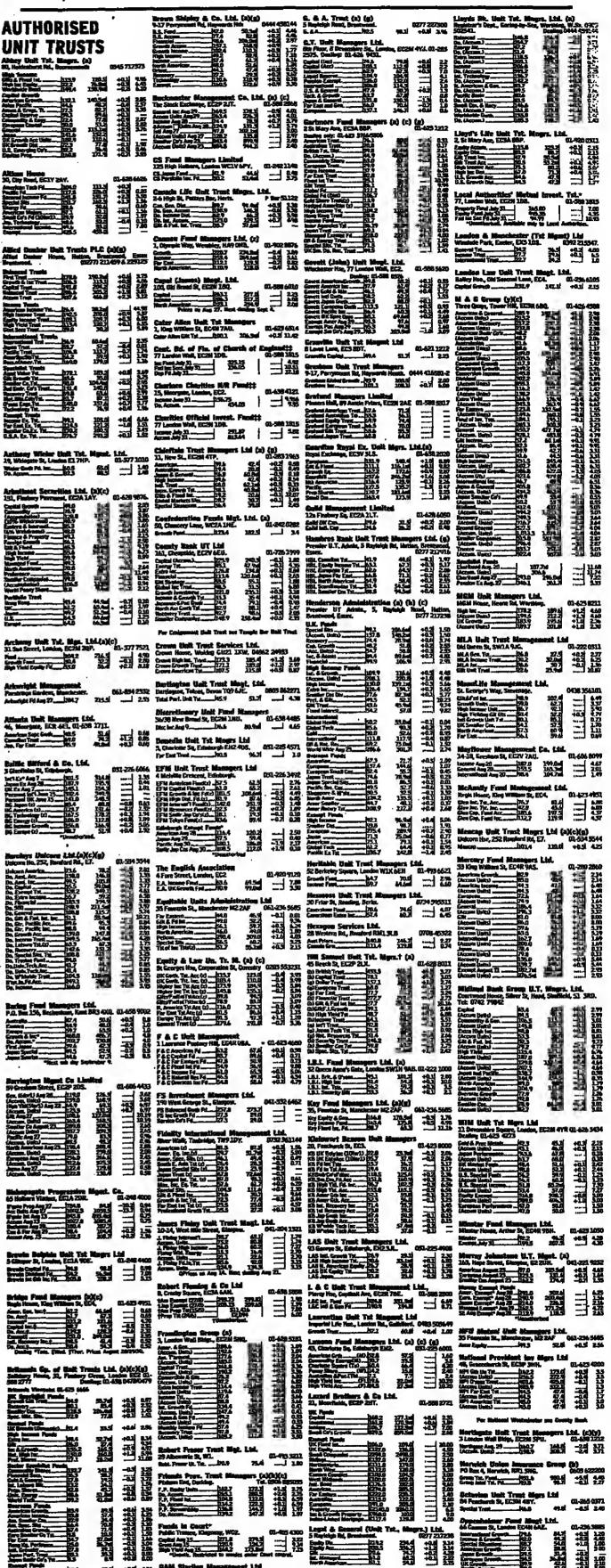
Bedjord Insurance case, Mr Justice Hobbouse said that an insurance company should not be surprised if, having chosen to engage in unauthorised business, it was unable to turn to the courts for accidence. the courts for assistance.

Dallal v Bank Mellat (FT, August 21)

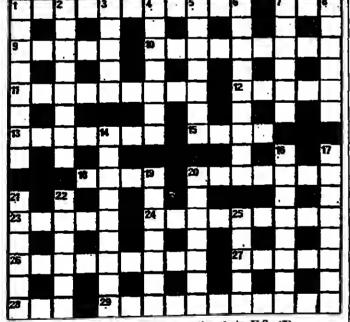
In e majority award, the U.S.-Iran Tribunal at the Hague dis-missed Mr Dallal's claim against Bank Mellat, the successor to the International Bank of Iran. He now sought to commence proceedings in the UK against the bank which had assets within the jurisdiction. In granting the bank's application granting the bank's application to strike out his writ and statement of claim, Mr Justice Hobhouse said that there could be on warrant for the English courts to fail to recognise a tribunal which had been set up by two covereign states to detertwo sovereign states to deter-mine disputes between their nationals and to which Mr Dallal had chosen to resort in the first instance.

FT Commercial Law Reports resume on October 15. . Aviya Golden

#### FT UNIT TRUST INFORMATION SERVICE



F.T. CROSSWORD PUZZLE No. 5,808 Of the across solutions "1, 9, 29, 28, 15, 18, 20, 7, 28, 27, 18 d" forms a sort of epitaph by Hilatre Belloc.



ACROSS 1 Post compiler's

(4, 1, 2, 4) 7 Bath, ret return: you need oualification (3)
9 Expression of optimism about dance, that is (1, 4)
19 Have meal easily adapted

for petitioner (9)

11 Number arranged by me for line from Sbakespeare play

23 Island of historic or futures importance (5)
24 Entrust e joint to e responsible group (9)
26 Go to the country or act it out in a trick (9)
27 About all right—the other way, weep volumes! (5)
28. IS Talkin's like e inake's what he's done wrong (3, 4)
29 Possible comment made by sea, I admit (2, 5, 2, 4)
DOWN

1 What about measurement of

DOWN

1 What about measurement of thrush's cousin? (8)
2 Awful thing—could be the Tory in me! (8)
3 Girl of peace, one with French boy (5)
4 Weapon sounding like

thrush in U.S. (7) Fast on purpose, say (7) Where Oracle was io a mess

making rare bloomers (9)
7 Sort of spot before sleep or after sleeping? (6)
8 Do lacework, outlet for gossip (6)
14 Italian composer (angel in Italian) (9)

11 Number arranged by me for line from Sbakespeare play (9)
12 Pub with heating beside U.S. railroad (5)
13 Object to painting etudent in diamonds? (7)
15 See 28
18 The FT's a kind of wolf (4)
20 Colour of little old wound? (7)
23 Island of historic or future importance (5)

11 Italian) (9)
12 Large quantity, mixture of part and boil! (8)
12 Emphasised when fruit, etc., turns up (8)
13 Cry for what was formerly staked? (7)
26 Fine and warm—sounds brief! (7)
27 Reptiles getting uplift on beroin go very feet (6)
28 Vital moment — call aloud for sister (6)

for sister (6) e 25 Inspire one thousandth pert of Argentinian capital? (5)

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### **APPOINTMENTS**

### Mitsubishi UK post

If Takeo linuma has been appointed joint managing director of MITSURISHI ELECTRIC UK, following the return to Japan of the company's founding Japan or the company's founding managing director. Mr Yuzu Tominaga. Mr linuma, currently director responsible for electroules, will oversee sales and marketing, alongside joint managing director Mr Yoshio managing in ector mar results
Negachi who directs the Scottish
manufacturing operations. Mr
Tominaga, who established the
company seven years ago, will
be responsible for marketing consumer and industrial goods in Europe, Africa and the Middle East, at Mitsubishi Electric Corporation's Tokyo head-quarters. Mr linuma came to the UK in 1979 to manage construction of the third perial systematics. UK in 1979 to manage construction of the third aerial system at Madley for British Telecom International. He has been director of the electronics division of Mitsubishi Electric UK since 1983.

\*

Takeo Humma

Takeo Humma

Takeo Humma

Takeo Humma

J. A. Cox, Mr R. G. Valentine and Mr S. G. F. Allen are made executive directors. Mr W. R.

Stuttaford and Mr J. P. F. Mason

Mr Brian Often, marketing director of Threshers Wine Merchants, will be joining PRIME COMPUTER (UK) has MARKETING in October.

Mr Peter R. Weiham, publish-Ing director of the computer and electronics division, has been appointed managing director of ARGUS SPECIALIST PUBLICA-ARGUS SPECIALIST PUBLICA-TIONS from September 1.
Before joining ASP earlier this year he was editorial director of Surrey and South London Newspapers Limited, a sister company within the Argus Press Group. Mr Philip Chapman, publisher, has been appointed to the board of Argus Books. Argus is part of the BET Group.

Following the purchase of EAST ANGLIAN SECURITIES TRUST, a Norwich-based licensed depositiaker, by a consortium of institutional and private investors, the following board changes bave taken place: Mr J. N. Batterwick, Mr W. Le G. Jaceb, Mr A. H. Catchpole, Mr R. J. Ellert, Mr A. T. Jackson, Mr D. S. McCall and Mr J. H. Murray have all resigned. Mr D. H. Carglil has been appointed deputy chairman; Mr C. J. Watt



PRIME COMPUTER (UK) has appointed Mr Tim Kemp as UK

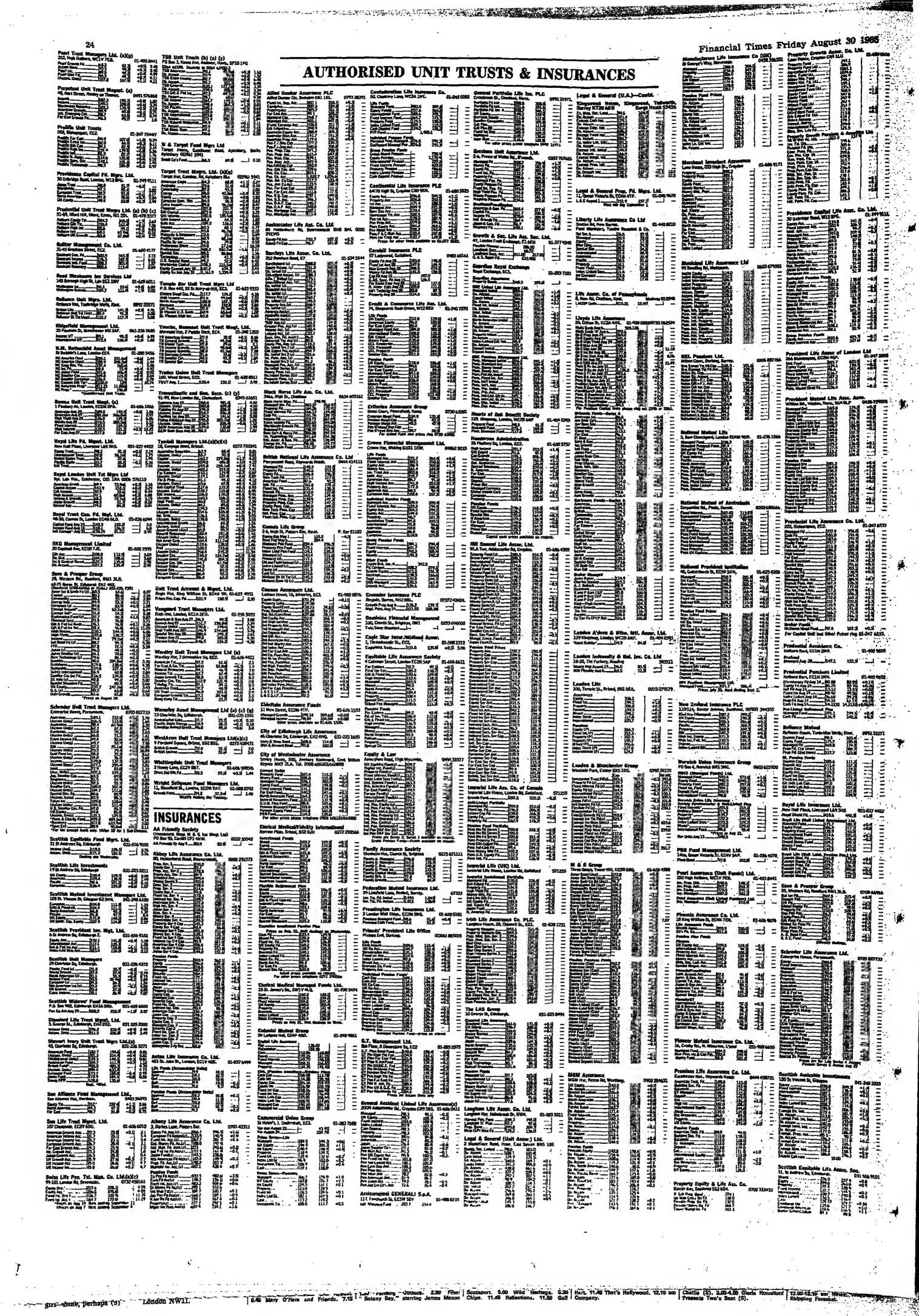
Dr Andrew Robinson has been appointed head of industrial promotion for the NORTH OF ENGLAND DEVELOPMENT COUNCIL. He succeeds Dr John Bridge, who left NEDC recently to become director of the Yorkshire and Humberside Development Association ment Association.

Mr Peter J. Cropper has been appointed managing director designate of STANDARD TELE-COMMUNICATION LABORATORIES (STL). He is taking over at the end of October from Mr R. D. Mills, who is retiring. Since 1980 Mr Cropper has directed the activities of STC IDEC an STC company responsible for systems and software.

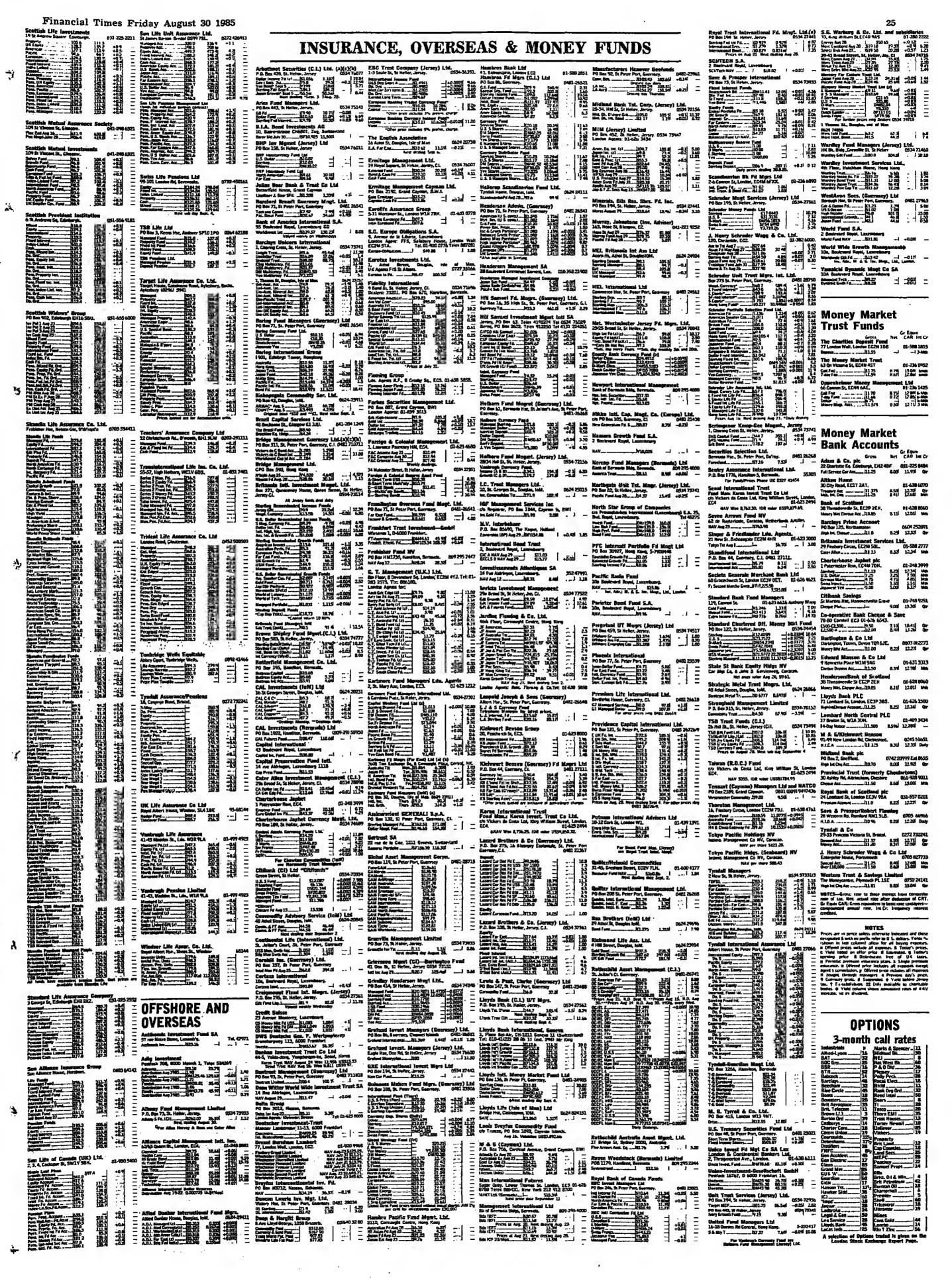
Mr William S. Talford will be joining CIFER to fill the currently vacant post of managing director. He was managing director of software company. Comae Systems. He will be taking up his appointment on September 2.



Mr High Try has been appointed chairman and managing director of W. S. Try (Holdings), parent company of the Uxbridge-based Try Construction Group. Mr Try, a former president of the Chartered Institute of Building, succeeds. Mr W. L. Try, who has retired following 60 years' service with the company. Mr Mike Davis takes the new post of group marketing manager and Mr Chris Magee becomes commercial executive for W. S. Try, main contracts division of the group.



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### Good weather and high prices lift tea output

BY OUR COMMODITIES EDITOR

boom in almost all the majar of the lower quality varieties producing countries, according and especially from Kenya. to the, latest monthly figures In 1984 total world tea profrom the International Tea duction is estimated to have Committee.

In the first half of this year, production was substantially higher than in the same period of 1984 in North India, Bangladesh, Indonesia and Kenya. Indian output, in particular, is expected to exceed this year's production target of 655m kg by a considerable margin, despite a slight drop in South Indian production, although there are fears that India may not achieve its export quota of 220m kg as a result of the belsted scrapping of its mini-

mum export price.
The only other signifies of exception to the rising trend is Sri Lanka, where production was slightly down. The further rise in output

marks a continued reaction to the high prices on the world tea market last year, resulting from the decisian by India— the largest tea producer — ta suspend tea exports and then to limit them to an annual quota, It also reflects favontable weather conditions in most of the growing areas. This year, however, prices Hopes of an eventual upturn year about 60m kilos are have crashed, reflecting a grow- in prices are pinned an two as Darjeeling, he claimed.

TEA OUTPUT is continuing to ing surplus of tea, particularly factors, one short-term and the risen by 6 per cent to 2.13m

> "Absorption of tea more than matched production last year, and a lot of that buying was accounted for by stock rebuild-

			١
WORL	D TEA OUT (tonnes)	PUT	
	1st half 1985	1st half 1984	
N-East India iouth India Bangladesh iri Lanka	165,844 72,200 13,795 116,657	139,068 \$2,712 8,804 116,786	
indonesia* Kenya Maiawi Tanzania	26,898 73,700 25,525 8,735	22,633 53,689 24,908 8,425	

ing," said one broker. "Now, however, there's a lot of very ardinary tea around as a result af the heavy crops. And now that the market has turned, have are stilling back and buyers are sitting back and working on a band-to-mouth hasis."

other more distant.

In late October, North Indian teas, traditionally of a much higher quality, will begin to come to market. The premium paid for them should lift the average London auction price substantially. Secondly, some brokers tenta-

tively suggest that the boom in world tea crops may be tailing off. They forecast that figures far the second half of this year may not show a further large increase over those for 1984. This would reflect in part the less remunerative prices on the world market and in part a likely tightening up on quality standards as a result of the large premium being paid far

"The moment they start tightening up on plucking standards, that immediately affects output," said one broker. • The Indian Tea Board has directed its offices abroad ta prosecute companies that sell a mixture af Darjeeling tea and inferior leaf under the Darjeeling label, Tea Board Chairman R. Tripathi said, reports Reuter from Calcutta.

While the Darjeeling tea gardens produce 11m kilos a year about 60m kilos are sold

### S. Africa's gold sales share to fall further

By Nancy Durine in Washington SOUTH AFRICA'S declining share of free world gald pro-

duction is expected to drop still further, according to statistics provided by the Gold Institute in Washington. The institute estimates South

African production this year at 21.86m ounces, almost 60 per cent of the total supply produced in the West but down from a 65 per cent share in 1983. Output is projected at almost 22.2m ounces in 1987, an estimated 57 per cent of western gald output.

Gold mine production has grown steadily since 1980, and it continues to expand, although at a slower rate, despite the twoat a slower rate, despite the two-year weakness in price, accord-ing ta a new weekly report published by the New York Commodity Exchange (Comex). Spurred by sharp increases in gald prices in 1979 and 1980, mining activity increased. The expansian has been maintained by the steadiness in the value by the steadiness in the value of gold as compared with other currencies, Comex said. However gald production, estimated at 36.7m ounces in

1985, cannot be expected to increase dramatically, according ta Camer, as many of the new projects in the U.S., Australia and Latin America have limited ore reserves. • FRENCH 1985-86 maize productian is expected to rise by

around 1m tannes to 11.3m, accarding ta a French Maize Producers' Association official. Average yield is expected to be 6.2 tonnes per hectare com-pared with 6 tonnes in 1984-85. Harvesting is expected to start between eight and 15 days later than usual in the regians north of the Loire because of the recent wet weather.

● AUSTRALIAN exports of iron ore to China in 1985 will rise to 7.5m tonnes from 5m in 1984. Mr John Dawkins, the Trade Minister said in Peking. THE BRAZILIAN Coffee Institute (IBC) said it opened from August 29, green coffee export registrations for October, November and December, with out a quata limit for sales to to most other Europeans, in-International Coffee Organisa-tion (ICO) member countries. I them mainly for funerals. As

### Indian hopes calm pepper market

Indian pepper crop this coming year. season have dampened earlier In fears of a lasting world supply shortage and halted the recent press precipitous rise in prices, according to spice traders in the UK and the Netherlands.

Reports from Kerala state in southern India suggest that the pepper crop due to be harvested in December and January will recover to a total of between 45,000 and 50,000 tonnes. Traders believe this should allow India to boost its exports substantially and make np for this year's shortfall on the world market

In the 1984-85 crop year, Indian production was de-pressed by heavy monsoon rains. Given the large domestic consumption of pepper, that left it with estimated export-

crops in the other three main

17,000 tonnes and a 10,000-tonne per and \$4,500 for the more

able production of only 16,000 to 18,000 tonnes.

That fact, combined with poor

growing areas—Sarawak in Malaysia, Indonesia and Brazil -eparked fears in the first few months of this year that the world markets, which traditionally consumes about 130,000 rear's shortfall on the world market.

Exportable production is expected to total about 40,000 tonnes in 1985-86, allowing for tomestic consumption of about tonne for black Sarawak peptone for black S

EXPECTATIONS OF a bumper carryover from the previous mature white pepper, respec-indian pepper crop this coming year. levels less than two years pre-

Since then, demand for pepper on the international market-sluggish in summer at the best of times—has apparently collapsed, and prices have accordingly fallen steadily. This week, black Sarawak was quoted at \$3,300 per tonne and white pep

per at \$5,800.

There is still confusion in some parts of the market over the likely size of this year's Brazilian and Indonesian crops, with some traders forecasting that both will be well down on their traditional levels, and this is reflected in the wide variability of price quotations be-tween on source and another. But for the first time in

months, traders are at least ex-

pressing the hope that produc-tion will come within reach of demand again in the next year

The managing director of one

The managing director of one leading Rotterdam trader fore-casts total 1985-86 production of about 120,000 tonnes.

"Everybody thought the price of whits peper would trap \$5,000 earlier this yesr," he said yesterday. "Buyers were alert to the possibility of shortages, and they all bought enough to cover their whole needs for 1985 and for half of 1986."

That goes some way towards explaining the current diminution of demand. Meanwhile, some traders—who had bought pepper while it was on the way no but cannot now afford to

np but cannot now afford to finance the holding of large stocks—are reported to be an-

### Spain's flower industry coming into bloom and nureliable, but UK Customs and Excise figures suggest that the weight of Spanish flowers entering this country rose last year by more than 20 per cont to almost 1m kilos, their value by 13.8 per cent to £2.12m. Chrysanthemums earned the most at £1.1m, which was 50 per cent mare than a year before. Israel's deliveries over the same

BRITONS BUY fewer flawers exports began to catch on and than any other people in Almeria's example was emulatore. Hence the and Excise figures suggest that them as luxuries. Hence the and Excise figures suggest that them as luxuries. Hence the and Excise figures suggest that them as luxuries, which, the Canary Islands, Valencia, while the other half spands of Catalogical Cata spends nathing at all an them, the Canary imands, valuation, while the other helf spends so Catalonia and around Madrid. It is an exiom of the industry in the vase when treated (as per househald is only £6 a year that flowers will always be compared with for example, grown where the cultural conditions suit them because the on the pocket. West Germany.

For that very reason, how-ever, Britain's growth potential as a market for flowers is Europe's greatest, and na one is eyeing it more avidly than the producers and exporters of

Growing flowers for export has not been ane af Spein's horticultural traditians. It began in 1967 when people in the southern province of Almeria thought that the 3,000 hours of supplies a year necessity. hours of sunshine a year pre-valling there might be used to benefit more than the film

Today more than 20,000 acres of plastic greenhouses spread over parts of Almeria that used phony Western films. In them are nurtured mostly carnations, which, being durable and cheap, are ideal for the British market. and chrysanthemums, which appeal to the British more than

Month Close close done

p. per klio (deadweight)

**POTATOES** 

lated nurseries opened up in the Canary Islands, Valencia, Catalonia and around Madrid. It is an exiom of the industry

A special correspondent examines the prospects for Spanish growers after EEC entry

> economics are so much in their favour. Of all horticultural crops, flowers have the highest ratia of value to weight, being worth far more per kilo than, say, melons or pineapples. Air-freighting can thus be comfortably accommodated in production costs, as it is with blooms from the Canaries and, of course, with Israel'a buge floral

A team of Spanish experts is currently studying the British flower market to see just what it wants so that production can be tailored accordingly, Among the things it has learned is that the British, who

from her accession to the Com-munity next January Spanish

producers and exporters, for whom Britain has already

proved profitable, will find it

CRUDE OIL (LIGHT) 42,000 U.S. guilluns, \$/barrels

Israel's deliveries over the same period grew by 13.4 per cent to 2.4m kilos, worth 10 per cent more at £3.72m. Predicting Spanish trends is not easy, either, but a large British Importer expects con-signments from that source to swell by a further 50 per cent Also discouraging expendi-ture on flawers in Britain have next year as they begin to reflect the reduction of tariffs and the warming of Britain's reception for flowers. Imports been EEC duties against cut flowers from autside the Community. From June 1 to Octo-ber 31 they amount to 24 per cent; from November 1 to May 31, 17 per cent. As they melt away for Spain over a seven-year transitian period from all sources grew last year by almost 19 per cent in valume

£52m, carnatians accounting for about half that sum. Spain's flower industry has far to go before approaching the size af Colombia's, which with all-year productian instead of the Mediterranean countries The Spanish flower industry. 1bn blooms annually and sup-being relatively young and plies 40 per cent af the British Spain not the world's most market But with EEC member-organised country. organised country, statistics ship looming its expansian relating to it are still scarce promises to be impressive.

CHICAGO

LIVE CATTLE 40,000 lb, newta/lb

and 24 per cent in value to

### Farm bill wrangle continues

BY NANCY DUNNE IN WASHINGTON

FARM STATE legislators will straggle back to Washington next week, taking little comfort from the bauntiful harvest under way back home. Their principal task-writing a 1985 farm bill-has grown no easier

during the summer break.

Back at home severely stressed farmers were asking their congressmen to "hold the on administration demands to reduce farm spending. "There's a lot of frustration out there," says Miss Margie Williams of the National Association of Wheat Growers, "Farmers are aware of the big budget deficit, but they are appealing for income stabilisa-

A vocal minority, she said, is agriculture industry stand on pleading far mandatory produc-

In the absence of Congress, President Reagan pushed a tough line on farm spending. In his regular Saturday radia address on August 18, he complained of "the past practice of lurching from one emergency programme to another—coming no with solutions that

never solve anything . . ." "The answer to our farm problems cannot be found in sticking with discredited pro-grammes and increasing government controls," he said. "The answer can only be found in our ability to help our entire

its awn feet again." There are reports that some farmers, who previously agreed with the administration on lowering loan supports, are changing their minds when they see estimates of prices to

However, Mr Ken Bader, chief executive officer of the American Soyabean Association, spoke to his group earlier this month and pleaded for acceptance of new realities.

Agriculture has changed, he

said. The U.S. no longer sells its farm products in isolation. "We can't build fences high enough to keep out the impact of global agriculture,

#### **U.S. MARKETS**

prefer growing flowers to buy-ing them, have been inhibited

BASE METALS prices on the Lendon Metal Exchange moved generally higher yes-terday but, with the natable exception of zinc, the rises were only modest.

A reported drop to the prominent Gulf/Japan roots ondermined confidence for the second day in a row, resurting in futures levels declining eherpty over the morning session. The January position came ander the larger brunt of settling for a change, dropping the equivalent of \$225 per for from the previous close. The afternoon asserts of the first on severing, reports Clarkson Wolff. The Bellic Freight index was 738.0 down 1.5 points. Turnover: 253 (202) lots.

FREIGHT FUTURES

RUBBER

PHYSICALE—The London market opened unchanged, met persistent seiling threughout the day and closed charply sealer, reports Lewis and Pset. Closing prices (brysm) spot 61.00p (sams), Dotober 56.75p (sems), The Kusie Lumpur feb price for RSS No 1 was 182.6 (sams) cents a kg and los SMR 20 was 145.6 (167.0). SOYABEAN MEAL

The Loodon market opened 30p higher in mixed trade, reports T. G. Roddick. Prices moved higher on trade buying closing the market with gains of £1.00.

LONDON DAILY PRICE—Rsw auger \$132.00 (£94.001, up \$7.00 (up £5.00) a tonns for Aug-Sept delivery. White sugar \$166.00, up \$4.50.

Sules: 3,567 (3,414) fors of 50

COPPER 25,000 lb, cents/lb Close 00.50 61.50 61.70 62.00 62.60 63.66 63.66 63.85 64.70 COTTON 50,000 lb, cents/lb

ROTTERDAM

tonnes.
Tete and Lyle dollvery price for granulated basis sugar tree £198.50 (£194.00) a tonne for export. International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for August 28: Guily price 4.76 (4.52); 15-day everage 4.30 (4.27).

#### Closs High Low Peny 27.82 27.82 27.82 27.82 27.82 27.82 27.82 28.12 27.57 27.85 27.76 27.82 27.86 27.12 27.06 27.12 27.06 27.12 27.06 27.12 27.06 27.12 27.06 28.70 28.73 28.85 27.06 28.70 28.73 28.86 28.80 28.8 Close High Low Oct 55.32 56.05 55.05 Dec 57.77 58.46 57.80 Feb 57.20 57.85 57.05 April 58.77 58.35 58.12 August 58.10 58.50 58.00 LIVE HOGS 30,000 1b, cents/lb Oct...... 112.50 (seafweight) Oct...... 112.50 211.50 112.9171.9 Nov...... 112.90 112.30 115.9-112.9 Feb...... 102.90 202.00 111.9-101.9 April 102.90 102.00 101.9-101.9 Aurg. 121.70 101.50 ---Cash rine gained £14 ta £497.50 a tonne as sellers who had helped to push the price down £26 earlier in the week Salas: 99 (41) lots of 90 corceses, 3,250 kg, | Sept | 25.26 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 | 25.96 stood back from the market. Dealers said this tendency The market opened stronger with good buying support but sunny weather and prospect of continued fine weather trimined geins to leave the merket unchanged to 50p down at the close, reports Coley and Harper. may have been influenced by the failure af other European producers to follow the \$50 a tonne list price reduction announced by Metallgesell-Month close Previous Business 366,4 361,4 8 per tonne 58,00 | 88,50 | 58,29-56,89 67,50 | 67,50 80,00 | 80,20 | 11,80-76,58 85,20 | 86,70 | 87,80-86,66 371.5 376.7 382.2 387.5 393.7 in the morning by overnight strength in New York. But they slipped back during the day as sterling strengthened against the dollar and eash higher grade metal ended HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons PORK BELLIES 38,000 to, conts/ib only £2.50 up at £999 a tenne. Close High Feb S8.47 59.00 5 March S8.28 55.80 5 May 58.85 60,02 5 July 59.85 60.00 5 August 57.65 58.30 5 SOYABEANS 5.000 bu mirt, cents/00-lb bushel **NEW YORK** 46,10 Close 2132 2213 2251 2275 2296 2315 2325 High 2169 2248 2251 2300 2320 Low 2130 2203 2242 2270 2286 COYABEAN MEAL 100 tons, 9/ton Close High 124.9 125.2 126.0 126.2 129.2 129.3 130.5 131.0 133.3 133.5 125.9 135.5 138.6 138.0 138.0 Low 723.6 124.0 127.7 129.2 132.2 134.5 136.7 2345 2336 Low Prev 7/5.1 332.5 346.1 334.0 342.1 342.5 354.1 351.2 352.9 COFFEE " C = 37,000 lb, cents/lb Close High 60.05 80.75 137.94 139.90 139.37 140.90 140.28 141.25 140.28 141.50 Sept Dec Merch May July Sept Dec 137.5 SOYABEAN OIL 60,000 fb, cents/fb SILVER 5,000 troy oz, cents/troy oz Prev 632.5 636.9 645.0 650.4 668.9 668.2 704.0 Sept 287.2 289.0 264.4 289.2 287.2 289.0 264.4 289.2 287.2 289.0 264.4 289.2 289.2 289.5 289.5 289.5 289.5 289.2 289.5 289.5 288.6 289.6 287.4 289.2 289.5 289.6 2 Low 58.12 56.48 59.80 60.25 60.60 56.29 54.25 Close 58.58 58.76 59.83 60.26 60.13 55.06 54.10 High 58.80 59.00 60.16 00.56 60.50 65.40 54.50 Prev -58.20 58.43 59.62

#### OTHER MARKETS

Wheat—(U.S. \$ per tonne) U.S. No. 2Red Winter: Spot 129, Sept 125, Oct 128, Nov 130. U.S. Northem Spring, 14 per cent protein: Sept 145,50, Oct 148,50, Nov 152, Occ 165,50, U.S. Northem Spring, 16 per cent protein: Sept 165, Oct 164,50, Nov 167,50, Dec 170, U.S. No. 3 Nerd Artibler Derum: Aug 163, Sept 162, Oct 162, Nov 165, Nov 15/Dec 169, April/May 168,90, June 169,50, Centadian Western Red Spring,1 3.5 per cent: Sept 153, Sept 20/Oct 10 155, Oct 168, Nov 160.

2015-2026: Dec 2035-2037; Mar 2050-2050: May 2050, bid; July 2070, bld; Sept 2050, bld; Dec 2050, bid.

HIDES — Birmingham (Manchester). Second Clears. On 31:35.5 kg 90.69 e kg withdrawn); 28:30.5 kg 107.9p s kg (108.0p s kg withdrawn); 22:26.5 kg 111.1p e kg withdrawn (112.0p). Cowe 26.5 kg 103.2p e kg (N/A).

634.0. 638.0. nil; Oct 622.0. 532.0. nil; Dec 625.0, 638.0. nil; Merch 638.0. 645.0. nil, Seles: 14 Sugar—(FFr per 100 kg): Oct 1382-1400; 2ec 1395-1405; Merch 1415-1418: May 1485-1458; Aug 1480-1498; Oct

COTTON LIVERPOOL - No spot or shipment sales were incorded. WHEAT

#### **LONDON MARKETS** MAIN PRICE CHANGES

PRECIOUS metals weakened in response to an easing in the strike threat in South Africa along with reports that the South African Finance Minister is attempting to arrange gold swaps to raise badly needed foreign ex-change, reports Heinold Commodities. Copper gained ground on technical buying along with reports of better user interest. Aluminium continued to falter reflecting a burdensome stock situation. Sugar came under light selling pressure in response to regrowing areas. The opening of Nigerian ports and active origin seiling put pressure on cocoa values. Coffee declined harply as ne qnotas were imposed on October export registrations. Cotton rallical on fears Hurricane Elena could damage new crop cotton

#### BASE METALS **ALUMINIUM**

	Unofficia close(p.n £ per	tonne	High/lov
Cash 6 months	724.6 747.5	29 6	748:741
Official of (723.5-4), settlement close: 748-	718.3 (7	the 741	3 (747-,5) Final Keri
CIONO: 740-	e.a. Tunic	AAL: 10'0	TOUNS!

Official closing (em): Cash 1,002-.6 (994-.5), three months 1,027.5-8 (1,020.5-1), settlement 1,002.6 (994.6), Final Karb Close: 1,026-6.6.

Cathodos (071-3 +6 5 months 992:1000 +1 Official closing (am): Cash 972-3 (957-9), them months 1,002.5-3 (996-7), settlement 973 (969). Tumover: 25,075 tonnes. U.S. Producer prices 65.50-89 conts per pound.

LEAD

	Unofficia closesp.m £ per 1	.) —	High/le
Cosh 6 months	503-4 304.5-5	!+2 +2,6	290.09
(300.5-1), 2), ecttles close: 303	closing ( three mon mont 300.5 .5-4. Temp t: 19-09 ca	the 302.9 (301). ever: 11.5	5-3 (301. Finol Ko 125 tonne

NICKEL Unofficial + or alose(p.m.) — (High/low ; £ per tonne Cash 3470-6 + 25 9 months 3546-5 + 66

Official closing (am): Ceah 3,475-85 3,465-65), three months 3,545-80 3,520-5), settlement 3,485 (3,465), nal Kerb Close: 3,540-50. Tumover:

ZINC

Official closing (em): Cash 495-6 (491.5-2), three months 499-5 (485-3), settloment 496 (482). Finot Korb closs: 501-2. Tumover: 6,200 tonnes. U.S. Prime Western; 41-41.75 cents per

girf-mole, perhaps (9)

£1100 \_\_\_\_\_\_ £1100 \$1050,078\_\_5 \$1966 76 

High grade Unofficial + or digital of day

Official closing (sm): Cash 9,085-6 (9,085-6), three months 6,050-5 (9,060-1), sottlement 9,086 (8,086).

Official clearing (em): Cesh 9,085-6 (9,085-5), three months 8,050-1 (9,050-t), esttlement 9,086 (9,096), Final Kerb close: 8,050-2. Tumover: 1,312 tonnes. Straits tin Sra 30,79 (30,79)

Gold tell \$4°<sub>2</sub> to \$336°<sub>4</sub>-335°<sub>4</sub> on the London bullion market yeaterday, the lowest level of the day. It opened at the day's peak of \$338°<sub>2</sub>-339, and was fixed at \$338.40 in the moming and \$337 in the aftermoon. The Journey of the South African Reserve Senk governor for talks in London and the U.S. had no impact, and there was also little reaction to rumoum of Bouth African egoldating gold awaps, with central banks, to prevent any cutting off of credit lines forcing the country into diatressed selling of gold on the open market.

GOLD BULLION (fine ounce) Aug. 20

Kr'g'r'nd \$341.541\(\frac{1}{2}\) (£243\(\frac{1}{2}\).248\(\frac{1}{2}\) (£127\(\frac{1}{2}\).128\(\frac{1}{2}\).178\(\frac{1}{2}\).179\(\frac{1}{2}\) (£127\(\frac{1}{2}\).128\(\frac{1}{2}\).191\(\frac{1}{2}\) (£05.66\(\frac{1}{2}\)).191\(\frac{1}{2}\) (£25\(\frac{1}{2}\).248\(

9ilver was fixed 7.45p an ounce lower for apot delivery in the London buttion merket yesterday at 448,70p. U.S. cent equivalents of the fixing levels were: epot 830c, down 9.45c; three-month 841.8c, down 12.05c; eitzmonth 682.75c, down 11.15c; and 12. month 682.15c, down 11.35c. The metal apened of 448-451p (633-633c) and closed at 447-450p (623-625c).

LME—Turnover: 74 (1S) lots of 10,000 cz. Cash high 447, low 446, three menths high 480, low 458, final kerb high 462, low 460.

SILVER

TIN

369.25 -0,1067.85c 3869.25 -2,25 6320.75 61.00p -53p 3182.8x +7.8 6181.5 Gas Oil Oct. Rubber (dio) Sugar (raw) Wooltops 64e

424p kilo -1 |429 pkk

Futures closed £40 to £45 lower in another ective trading session. Commission house liquidotion and belated hedge selling caused the sharp decline. Renewed manufacturer interest and price fixing was apparent to the lower levels of the doy's trading mage. Origins were quiet, reports Gill and Ouffus.

1713-1714 - 59.2, 1765-1712 1780-1721 - 44.2, 1765-1712 1735-1739 - 56.0, 1775-1764 1765-1766 - 32.6, 1785-1784 1764-1767 - 29.0, 1785-1787 1773-1775 - 25.2, 1785-1778 1777-1779 - 23.6, 1890-1780

Seles: 5,400 (4,207) lots of 12 tonnes.

ICCO indicator prices (U.S. centa per pound). Beity price for Aug 29: 105.22 (107.45); Rva-dey averago for Aug 30: 105.26 (106.65).

The opening of leot quarter export reglectations by Stazil coincided with a sheep sell-off on the terminal markot rodey, mports Onsell, Sumhem, Lambert. Most ground was lost during emon active moming which saw prices tell below the recent timbing mags. In the effect of the market stabilised until the close when chartet selling braught prices to the lows.

COFFEE Yesterdy's + or Eusiness — Dono

Salos: 3.278 (1.840) lots of 5 tonnes, ICO indicator prices (U.S. conta-per pound) for Aug 28: Comp. delly 1979 121.49 (121.78): 15-day average 120.31 (120.30). GRAINS

The wheat merket sew profit-taking erode velues 30p in early trading but quickly improved on leck of physical offers and further concern ever quality, reaching 50p up on epot positions. Barley remained quietly steady throughout the day to again reach new contract highs, reports Muirpece. WHEAT +0.58 200.60 +0.40 +0.5 104.19 +0.30 +0.16 107.40 +2.25 -0.210.26 +0.25 +0.06 115.12 +0.29

Sept. 121.00 Nov... 103.10 Jan... 106.72 Mar... 209.75 May... 113.25 July... 225.78

INDICES FINANCIAL TIMES Aug. 20 Aug. 27 M'th ago Year ago 250,19 251,12 259,51 298,70

(BANK: July 1 1952 - 100) Aug. 29 Aug. 36 M th ago Year ago 1693.1 1685.0 1686.0 1875.1

(Bese: September 18 1931 - 100) **DOW JONES** 

Jones 22 21 Sgo Sgo Spot | 116.27 118.49 | 130.69 gut | 124.06,214.61 | 126.43 (Bass: December 37 1974 = 100)

LONDON GRAIMS—Wheat: U.S. Dark Northem Spring No. 1, 13 per cent: Sept 120,20, Oct 118,50, Nov 120,20, Dec 122,80, transhipment East Coast. U.S. No. 2 - Soft Red Winter Sept 101,25, Oct 103,80, Nov 105, Dec 106,30, English Feed, tob: Sept 101, seller, Oct 103,50, velue; Oct/Dec 105,50, bid; Jen/March 112,25, bid; April/June 118,00, bid. Melce: U.S. No. 3 Yellow/French transhipment East Coast 1sthait Sept 136, 2nd half Sept 131, Oct/Dec 123,50, Seriory: English Feed, lob: Sept 103,50, seller, Oct/Sec 107,50, bid; Jen/March 112,50, bid; April/June 117 bid. Reet unquoted.
HGCA—Locational gx-farm spot prices. Feed Wheat: S. Eyst 37,10, S. Wast 95,30, W. Midlands 96,80, N. East 87,90, Feed Barley: S. Eest 94,80, S. West 95,20, W. Midlands 98,70, N. East 82,30. The UK monetary coefficient for the week beginning Monday September 2 will mmain on-changed.

Prices for Srant allipped in thin trading, slightly for September and up to 25 cents in the forward months. Nymex opened 18 cents down for October and traded 12 cents down at 1 pm EDT. In the refined patrolsum preducts markin napths felf sharply but gas oil and leavy fuels west only elightly down in thin trade, Petrolsure Arges, London.

GAS OIL FUTURES 244.00 -9.75 247.25.44.89 239.25 -8.25 242.50 58.25 837.50 -1.75 240.81 36.75 837.00 -26.70 286.75 88.40 236.75 -8.26 286.75 88.40 854.50 +1.80, 234.55 34.00

Tumover: 2,180 (2,878) lots of 100 PIGMEAT Stronger physicals created a lively futures market as trade buying and short covering raffled October and November ofthough later months booked uncertain, reports CST Commodities.

\$ per torme

Oct | 126.5-128.8-128.8-186.8-1152.8-126.0

Dec | 131.6-128.8-128.8-186.8-1152.8-126.0

Bay | 131.6-128.8-126.8-126.1-126.1-126.8-126.0

Aug | 141.8-142.8-144.0-146.1-146.8-142.8-146.0

Oct | 151.0-152.0-153.8-154.8-154.8-154.8-156.0

Sept 20/Oct 10 155, Oct 158, Nov 100.

Meize—(U.S. \$ per tonne) U.S. No.

3 Yellow: Affoat 118, Sept 119, Oct 108.60, Oct/Dec 100, Jen/Merch 113.
April/June 116. Argentine, Plate: Sept 125, Oct 125, March 109, April/June 125. Oct 125, March 100 kg). Sept 100 kg). Sept 100 kg). Sept 100 kg. Se

MEAT COMMISSION—Average lot-stock prices of representative markets: GE Cottle 95.34p per kg lw(+1.24 ): (-3.03): GB Pige 78.87p per kg lw (+2.20).

### CURRENCIES, MONEY and CAPITAL MARKETS

DM 3.89 from DM 3.825; Fr 11.8850 from FFr 11.86; and SwFr 3.1925 from SwFr 3.1750. It also eased to Y332 from

SwFr 3.1925 from SwFr 3.1750. It also eased to Y332 from Y332.25.

DWARK ----- Trading range against the deliar in 1985 is 3.4510 to 2.7425. July average 2.9124. Exchange rate index 126.5 against 118.5 six months

FOREIGN EXCHANGES

المارة الكوكرية

VIETO

**FINANCIAL FUTURES** 

### Dollar higher in thin trading

The dollar remained within its recent range of DM 2.742.79 in thin foreign exchange trading yesterday. The major factor pushing the currency higher towards the London cluse seemed to be covering of short positions by New York traders ahead of the long boliday weekend in the U.S. Some support may have also resulted from news that U.S. new home sales in June rose by a ravised 2.2 per cent, against o previous estimete of 0.1 per cent down. The July figure was up 1.4 per cent. Attention will now focus on today's announcement of leading indicators, where the July figure is expected to be roughly flat, but it has been rumoured the data for June will be revised down. Trading may be confused if the publication of loading indicators conflicts with demand for the dollar due to the long weekend and end of month factors.

long weekend and end of month factors.

The dollar finished just below the day's peaks against most mapjor currencies, rising to DM 2.7795 from DM 2.7710;

FFR 8.4850 from FFR 8.4525;

SwFr 2.2785 from SwFr 2.2670;
and Y237.05 from Y238.90.

On Bank of Fredward Sources On Bank of England figures the dollar's index rose to 136.7 from 136.4. With South African financial

weekend there were again no meaningful quotations for the rand in London. Quotes for the currency remained extremely defensive between 35 and 50 U.S. cents to the rand. U.S. cents to the rand.

STERLING—Trading range against the dollar in 1985 is 1.4290 to 1.0525, July average 1.2783. Exchange rate index fell 6.1 to 82.4, the lowest level of the day. It opened at 82.6, and touched a peak of 82.7 at 10 am.

Sterling was generally strong, underpinned by 9 combination of nervousness about the dollar, the unwinding West German spy story, possible effects on oil prices of bte European coup, and high Londom interest rates. The pound finished 20 points down against the dollar st \$1.3995-\$1.4005, but rose to

EMS EUROPEAN CURRENCY UNIT RATES ±1.5425 ±1.8421 ±1.1465 ±1.2654 ±1.5162 ±1.0673 ±4.0636 Changes are for Ecu, therefore positive change denotes in week correctly. Adjustment calculated by Financial Times.

POUND SPOT-FORWARD AGAINST POUND · Close ## 29 spread Close One month

## 1.3960-1.4070 | 1.3965-1.4005 | 0.45-0.43c pm |

## 1.3960-1.9765 | 1.3965-1.4005 | 0.45-0.43c pm |

## 1.3960-1.9765 | 1.3965-1.4005 | 0.45-0.43c pm |

## 1.3960-1.9761 | 1.3965-1.4005 | 0.45-0.43c pm |

## 1.3960-1.3961 | 1.396-1.3961 | 2.29-2.29 pm |

## 1.2680-1.2861 | 1.2684-1.2684 | 2.25-0.70c pm |

## 1.2680-1.2861 | 1.2684-1.2684 | 2.25-0.70c pm |

## 2299-2354 | 2.299-229 | 2.299-229 |

## 2299-2354 | 2.299-229 | 2.299-229 |

## 2299-2354 | 2.299-229 | 2.299-229 |

## 1.396-1.1.361 | 11.38-11.48 | 2.299-236 |

## 1.396-1.1.361 | 11.38-11.49 |

## 1.396-1.1.361 | 1.38-11.49 |

## 1.396-1.1.361 | 1.396-1.3604 | 2.299-239 |

## 1.396-1.1.361 | 1.396-1.3604 | 2.299-239 |

## 1.396-1.1.361 | 1.396-1.3604 | 2.299-239 |

## 1.396-1.3961 | 1.396-1.3604 | 2.299-239 |

## 1.396-1.3961 | 1.396-1.3604 | 2.299-239 |

## 1.396-1.3961 | 1.396-1.3604 | 2.299-239 |

## 1.396-1.3961 | 1.396-1.3604 | 2.299-239 |

## 1.396-1.3961 | 1.396-1.3604 | 2.299-239 |

## 1.396-1.3961 | 1.396-1.3604 | 2.299-239 |

## 1.396-1.3961 | 1.396-1.3605 | 2.299-239 |

## 1.396-1.3961 | 2.299-239 | 2.299-239 |

## 1.396-1.3961 | 2.299-239 | 2.299-239 |

## 1.396-1.3961 | 2.399-239 | 2.299-239 |

## 1.396-1.3961 | 2.399-239 | 2.299-239 |

## 1.396-1.3961 | 2.399-239 | 2.299-239 |

## 1.396-1.3961 | 2.399-1.3064 | 2.299-239 |

## 1.396-1.3961 | 2.399-1.3065 | 2.299-239 |

## 1.396-1.3961 | 2.399-1.3065 | 2.299-239 |

## 1.396-1.3961 | 2.399-1.3065 | 2.299-239 |

## 1.396-1.3961 | 2.299-229 | 2.299-229 |

## 2.390-229 | 2.299-229 | 2.299-229 |

## 1.396-1.3961 | 2.399-229 | 2.299-229 |

## 1.396-1.3961 | 2.399-229 | 2.299-229 |

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## 1.396-1.3961 | 2.399-229 | 2.399-229 |

## 1.396-1.3961 | 2.399-229 | 2.399-229 |

## One month 5.81 1.24-1.18pm 2.83 1.24-1.18pm 5.82 67-6pm 2.67 47-34pm 3.07 94-8\*-pm 1.85 0.83-0.33pm 7.33 67-6\*-pm —12.73 420-1480dis 1.2884-1.2894 0.26-0.10c pm 7.33 67-67-pm 7.32 67-67-pm 7.33 67-67-pm 7.

OTHER CURRENCIES 07,20,27,50 70,15-60,00 14,10-14,24 1,04-11,95 3,67-8,01 2598-8640 332-336 4,37-4,41 21,46-11,56 995-341 231,231 11,56-11,66 5,18-321 1,394-1,412 470-510 Creek Drachma 185.5.5-187.58 | 130.56-130.57 Germany | 140.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 100.600 | 1 U.A.E. Dirham .... 5,1408-5,1460 , 3.0720-3,6730 (Yugoslavia

4.6 per cent for securities repurchase agreements to add liquidity to the domestic money market. At the Frankfurt fixing the Bundesbank did not intervene when the dollar rose to DM 2.7732 from DM 2.7633. Tho dollar closed in Frankfurt at DM 2.7795 compared with DM 2.7675 on Wednesday. Sterling may have gained somo strength from the West German spy scandal, but there was little reaction to news about another suspect being detained, or the sacking of West Germany's head of intelligence. The pound rose to DM 3.8960 from DM 3.8950 at the fixing.

The D-mark showed little change against a dollar moving in a narrow range. Nervousness about South Africa's financial crisis showed no sign of spilling over into trading in the major coverages. STERLING INDEX currencies. As expected the Bundesbank left its leading interest rates unchanged, and appeared to be pursuing a steady monetary policy in setting the interest rate at an unchanged 8.30 am ...... 9.00 am ...... 10.00 am ..... 

£ IN NEW YORK 8 Spot \$1,493-1,40138 2,402-1,403-1 months 0,47-0,46 pm 0,48-0,45 pm 1,28-1,01 pm 1,22-1,19 pm 12 months 5,00-8,90 pm 1,500-8,90 pm DOLLAR SPOT-FORWARD AGAINST DOLLAR

CURRENCY MOVEMENTS CURRENCY RATES Bank of Morgan England Guaranty Index Change % 0.737777 0.570188 1.03665 0.808771 82,4 136,7 85,8 117,2 01,3 79,8 126,3 149,3 115,0 07,6 44,5 157,1 1980-1982-100. Bank of England Index \*CS/SDR rate for August 28: 1.41024. (bess average 1976=100).

**EXCHANGE CROSS RATES** 

Aug. 29	Pound St'Ung	U.S. Dollar	Doutschemic.	Јрапово Уоп	FrenchFrance	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Fran
Pound Sterling .	0.714	1,400	3.890 2,779	332.0 237.1	11.885 8.489	3,193 2,980	4.385 3.132	2613. : 1866	1,568	76.75 56.25
Poutschemark Japanese Yon 1,000	0,857 3,012	0.360 4.217	11.7g	85.35 1000,	3.055 35,80	5.821 9.615	1 127 13,21	071.6 7669.	0,490 5,744	20,24 237,2
French Franc 10 · 2wiss Franc	5.841 0,313	1,175 0,439	5,973 1,918	279.3 104.0	10. 3.725	2.686 1.	3,890 1,374	3198. 818.3	1,606 0,597	56.26 24.87
Dutch Guilder Italian Lira 1,000	0,228 0,385	0.310 0.535	0.887 1.489	75.71 127.1	2.710 4.549	0,728 -	1.678	595.8 1000.	0,435 0,780	17,96 30,14
Canadian Dollar Belgian Franc 100	0.524 1.870	5.734 1.770	8.040 4.940	174.1 421.0	6.232 15.09	1,074 4,054	2,299 5,568	1870. 3817.	2,488	41.50

**EURO-CURRENCY INTEREST RATES (Market closing rates)** 

1. 111-101- 73-77- 81-800 55-07- 183-1014 416-416 91-05- 0-5 81-814 81-854 519-616			Fin.	Conv.	Lira	Franch	D-mark	Franc	Dutch Guilder	Canadian Dollar	U.S. Dollar	Sterling	Aug. 29
Three months 12-134 05-034 95-034 05-034 05-034 05-034 05-034	M SH8-19	58-6/8 61-64-6 61-64-68 61-68-68-68-68-68-68-68-68-68-68-68-68-68-	869-818 0 0 1g 0 2g-92g 95g-93g	9-914 038 932 058-034	111g-151g 121g-151g 123g-151g 18-133g	95g-934 105e 107e 111e-1134		41.41	516-614 516-614 516-614 516-614 016-614	87a 015	714 2 7-13-81a 814 814	11/8-11/8 11/4-11/8 11/2-11/6 11/4-11/6	Ohort-term

Asian 5 (closing sets in Singapore): Short-term 8-8% per cent; neven day e 8-8% per cent; one month 8-8% per cent; three months 8-8% per cent; six months 8-8% per cent; one year 8%-8% per cent; Long-term Eurodollers; two years 5%-9% per cent; three years 9%-10% per cent; four years 10%-10% per cent; three years 9%-10% per cent; one years 10%-10% per cent; one year

#### MONEY MARKETS

### UK rates slightly easier

UK clearing banks base lending rate 11; per cent since July 30. Interest rates were down from Wednesday's closing levels in the London money market yesterday, helped by sterling's steady performance. There was no indication of any change in official policy bowever with the Bank of England supplying all of its help through ontright sales. Total help was still a little short of e twice-revised forecast and overnight money was left bid up to 14 per cent, baving been as low as 11½ per cent.

Three-month interbank money oased to 11½-11½ per cent while three-month eligible bank bills were bid at 11½ per cent from 11½-11½ per cent.

bid at 11's per cent from 11st 11st per cent.

The Bank of England forecast a shorlage of around \$500m with factors affecting the market including maturing assistance and a take np of Treasury bills together draining £866m and a rise in the note circulation of £15m. These were partly offset by Exchequer transactions which added £356m and banks' balances brought forward £30m above target. FT LONDON

INTERBANK FIXING

5 months U.S. dollars offer 5 1/8 ыа в 5 months U.B. dollars

The fixing retax are the arithmetic resears, rounded to the nearest one alxisomth, of the bid sed offered retax for Siom quoted by the market to five misrance banks in 11 c.m. each working day. The banks ero Natonel Wastrainster Sank, Saok of Tokyo, o autache Sank, Binnque Mittionele de Perie sod Morgen Guaranty Trust.

further revision brought the shortage down to £350m and the Bank gave help in the afternoon of £105m. This comprised purchases of £99m of eligible bank bills in band 2 at 11½ per cent and £5m in band 3 at 11½ per cent. Late assistance came to £40m, making a total of £278m.

In Frankfurt the Bundesbank The forecast was revised to a shortage of around £450m and the Bank gave assistance in the morning of £153m. This comprised purchases of £103m of eligible bank bills in band 2 (15-33 days) at 11-k per cent and £3m in band 3 (34-63 days) at 11-h per cent. In band 4 (64-91 days) it bought £2m of Treasury bills and £19m of eligible bank MONEY RATES

Paris

1114-111g 1059-107g 101e-1014 1059-105g 1014-101g 4.75.4.90 4.50 4.65 4.50 4.65 4.50.4.65 4.55.4.70 5.5 6.21875 6,40625 7,13 8<del>|| 9||</del> 53-5H 03-5H 1414-144 14-144 434-434 93g-91g 96g-97g 516-516 516-54 6.84573 Discount Houses Deposit and Bill Rates LONDON MONEY RATES 1175-19 1134-1178 12-121 1156 1156 1154 11 113<sub>4</sub>-117<sub>9</sub> 11<del>12</del> 113<sub>9</sub> 115<sub>4</sub> 111<sub>4</sub> 11<sub>1</sub>4 114 114 10<u>4</u> 號 雅

MONEY RATES 5<sub>16</sub> S<sub>16</sub> 83, 87g 107g 107g 107g 107g ECGO Fixed Finance IV: Average rate of interest period Jely 3 to August 8 (inclusive): 11.995 per cent. Local suthenty end finance hoesen neven days' notice, others ever days' fixed. Finance Houses Bass Rare (published by the Finance House Association): 12½ per cent from August 1 1855. London and Scottish Clearing Bank Rares for leading 11½ per cent. Benk Deposit Retes for eume at seven days' nodes 6.25-5.525 per cent (net). Trassury 8illis: Average tander rate of diacount 17.0011 per cent. Certificates of Tax Deposits (Saries 6): Deposits £100,000 and over held under one month 11½ per cent one-time months 11½ per cent time-aix months 11½ per cent els-nice months 11½ per cent time-aix months 11½ per cent for all deposits withdrawn for cash financia south and selections.

Treasury Bills Treasury Bonds

### Quiet trading

There was little interest and little trading in the London International Financial Futures Exchange yesterday. Most con-tracts recorded little overall tracts recorded little overall change from Wednesday's closing levels ahead of today's U.S. economic data and a long weekend in the U.S. Gill prices opened firmer in line with a stronger pound but slipped away from the day'e highs as sterling retreeted, to finish unchanged on the day.

Three-month sterling deposits the day.

Three-month sterling deposits failed to improve with a basically bullish undertone inhibited by relatively high cash rates.

U.S. Treasury bond futures

Aug 29 Previou

- 82.6 82.2

- 82.6 82.3

- 82.6 82.4

- 82.6 82.4

- 82.6 82.4

- 82.5 82.3

- 82.5 82.3

- 82.5 82.3

- 82.5 82.5

- 82.5 82.5 LONDON THREE-MONTH EURODOLLAR Close High Low Prev 81.80 92.02 91.97 91.82 91.72 81.75 91.89 91.68 91.33 91.35 91.30 91.28 90.94 90.95 90.95 90.91 90.83 484 volume 3,561 (3,418) 91.62 91.63 484 volume 3,561 (3,418) 91.62 91.63 91 THREE-MONTH STERLING 2500,000 points of 100%

Sept 112-08 112-11 112-05 112-04
Dec 112-21 112-25 112-20 112-20
March 173-05 — 173-04
Estimated volume 1,484 (1,714)
Previous day's spen int 3,633 (3,319)
Sasis quote (clear cash price of 13°2 X
Tressury 2004-08 less equivalent price of near futures contract) —2 to 3 (32nds). STERLING £25,000 \$ per £

Sept 0.3596 0.3614 0.3596 0.3813 Dec 0.3630 0.3648 0.3632 0.3648 Estimated volume 400 (80) Previous day's open int 267 (267)

Sept 0.4376 0.4404 0.4404 0.4405 Dec 0.4420 0.4464 0.4408 0.4480 Estimated voluma 360 (54) Previous day's open int 218 (208) Sept 0.4218 6.4221 0.4220 0.4223
Dec 0.4238 0.4241 0.4240 0.4243
Nameb 0.4280 0.4240 0.4240 0.4262
Estimated volume 474 (18)
Previous day's open int 175 (176)

started off on 9 firmer note, belped by 0 good demand for the Treasury's five-year note auction and expectations that figures released today would continuo to show 9 sluggish economy. Prices were marked down later in the day however on a 14 per cent rise for July in U.S. single family home sales and a revised June rise of 2.2 per cent.

per cept.
Euro-dollar prices were helped
by a slightly lower U.S. Federal
funds rate and favourable funds rate and favourable reaction to the five-year note auction. Trading volume was restrained however ahead of today's leading economic indicators and trado figures.

Prev March 76-02 91.82 Estimated volum 91.88 Provious day's 6 91.25 CHICAGO U.S. TREASURY BONDS (CBT) 8% \$100,000 32nds of 700%

Prev 77-27 76-23 75-22 74-23 73-27 73-01 72-09 71-19 U.S. TREASURY BILLS (IMM) Sim points of 100% CERT, OEPOSIT (MM) Sim points of 100%

STERLING (IMM) Se per £ Sept 1.3360 1.2543 1.2

GNMA (CBT) 8% \$100,000

32nds of 100%

**断モ OPTIONS REPORT** Previous day's open internst Calls Puts 1474 8406 Previous day's Louise Powell of LIFFE on 01-823 0444 LIFFE, ROYAL EXCHANGE, LONDON EC3V 3PJ

NOTICE OF PURCHASE BOWATER INDUSTRIES PLC 9%% Bonds due t5th July 1988 93% Bonds due TSh July 1985
NOTICE IS HEREBY GIVEN to
bondholders that US \$1,250,000
nominal amount of the above
issue was purchased in the
market during the twelve month
period to 15th July 1985 and
applied in respect of the mandatory redemption instalment
payable on that date. Bowater Industries pic Bowater House Knightsbridge London SW1X 7NN August, 1985

THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION p.l.c. tol% Debenture Stock 1987-91 Notice is hereby given that the REGISTERS of the CORPORATION'S above mantioned Debentare Stock will be CLOSEO for TRANSFER and REGISTRATION from the 16th to 27th September 1985 both days inclusive. By Order of the Beard H. J. McTark Secretary

Public Notices

#### Company Notices

TOKYO SANYO ELECTRIC CO., LTD. The endersigned announces that as from 3rd September 1085 at Kas-Association N.V., September 1085 at Kas-Association N.V., September 1085 at Kas-Association N.V., September 1087 and September 1087 at Kas-Association N.V., September 1087 at Kas-Association N.V., September 1088 and September 1088 an

AMSTERDAM DEPOSITARY Notice to the Holders of the

Issue 84% 1977-1997 of US\$100,000,000 made by the
EUROPEAN COAL AND
STEEL COMMUNITY
he Commission of the Eurogean Communities announce that the annual instalment of Notes emounting to US\$3,500,000 has been purchased for rederap-tion on October 1st, 1985. Amount outstanding on and after October 1st, 1985:

refers to its exchange offer dated 5th July, 1835 and hereby declares that the expiration date for this offer is exchanged from 5.00 p.m. London time on 30th August, 1985 to 5.00 c.m. London time on 30th September, 1985.

BANCO CENTRAL DE COSTA RICA

US\$300,000,000 CAISSE NATIONALE DES **TELECOMMUNICATIONS** Floating Rate Notes due 2000 Notice is hereby given that the third interest period chosen by Caisso Nationale des Telecoreraunicadions is one month, be-

ginning September 7th, 1985. The Fiscal Agent Banque Nationale de Paris (Lucembourg) SA

AKRANES AND BORGARFJORDUR HEATING CORP. U.S.\$10,000,000 Floating Rate Notes due 1995 The Agent Bank KREDIETBANK D.A. LUXEMBOURGEOISE

Personal

**OLD FRIENDS** Does life begin at 40? MARRIAGE, FRIENDSHIP or COMPANIONSHIP:

the Introduction agency for the 40s, 50s, 60s Details from: Anne Brent 18e Highbury New Park, N5 2DB Telephone: 01-226 5432

VALUE OF

CURRENCY

### S WORLD VALUE OF THE DOLLAR RA BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

Prev 77-02 78-10 75-16 74-28 74-10

COUNTRY

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, August 28, 1985. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All

Bank of America, Economics Dept., E.M.E.A. London Eurodollar Libor as of August 28 at 11.00 a.m. 3 months: 81 6 months: 81

CURRENCY

COUNTRY

rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

ECU=U.S.\$.801852 SDR1=U.S.\$1.83577 Sibor as of August 28 at 11.00 a.m. 3 months: 816 6 months: 816

COUNTRY

Afghanistan Afgh	nani (o)	50,00	Grenada E. Caribean	2,70	Paraguay,	(Guarani Io.o.)	240.00
Albania Lek Algeria Dina		7.8846	Guadaloupe Franc	8,4795	Paragony, maining	Guarani (d)	783,00
Algeria Dina	NT .	4,974 8,4795	Ottam U.S. \$	1,00	Philippines	SOLIO) IV)	13949 18,605
Andorra Fr. F	rang	163.65	Guatomale   Quotzal (o)	3 3 65	Ditronire la	N T Caller	1.8845
Angola Kwa	Man .	29.210	Guinea Bissau Peso	0 3.95 147,523	Poland	Zigty (o) (5)	153.79
Antique E. C	aribbeen \$	2,70	Guinea Rep Syll	23,8328	Portugal	Escudo	166.00
Argenting Aust	traj (8)	0.801	Guyana Doftar	4.10	Puertofico	U.S. dofer	1.00
Australia Dolle	18	1,4239	Haiti Gourde	3.00	Reunion, il de la	Riyal	3.641
Austria Schi	Ming	19,313	Honduras Rep Lempira	2.55	Someon's 11 ct 18	Fr. Franc	9.4795 9.20
Azoree Port	L Engudo	166,60	Heng Kong	7.804	Romania	Leu (c)	12.42
Bahrein Oine	. ;	0.5769	Hungary Forint	49,2348	Rwanda	Erapo	02.1631
Balearic Is Sp. 1	Paneta	163.55		41.00			
Bangladesh Tak		28,60	loeland,	11.00	St. Christophar	E. Caribbboan \$	0.70
Barbados Doll	D.F	2.0113	Indonesia Dunieh	111.90	St. Helena	Pound'	1.398 · 2.70
Belgium	auc (c)	56.23		AQ 1193	St. Plarre	Er Erene	8.9795
perglum ] Fr	Anc (f)	56,885	iraq	0.3109			2.70
Belize Doit	ar_ :	2.00 425.975	Irien Rep Punt	1.1215	Samos (Western)	Tale	2,2002
Benin C.F.	A Franc	1,00	Israel Shekel (10)	1494.00 1865.85 428,973	Samoa (Am.)	U.S. 8	1.00
Bermuda Doll Bhutan Ind.	Busha	11,90	ItalyLira (11)	1000.20 5.	SAM MALINO	IL Lira	1863.85
Pa	(CIDSO :	75000.	Ivory Coast C.F.A. Franc	420,070	Sao Tome &	Date -	
BolMa	180 (f)	1100000,	toward to the toward (a) (%)	5.73		Dobra	43.6874
Botowana Pula	L (6)	1,9619	Jamaica Dollar (e) (5)	236,925	Saudi Arabia	Riyal (7)	3.08
Brazil Oruz	reiro (o)	5860,00 2,254	Jorden Oinar	0.3744	Secogal	C.F.A. France	423.075
Brunel Doll	R.F	1.010	Japan Yen Jordan Dinar Kampuchea Riel	71-8-	Seychelles	Rupes	5.9847
Bulgaria	A Empe	423,973	Kanpuchez	15.5919	Singapore	Doller	2.254
Burnon Kvat	Francis	8.2147	Kiribati Aust Dollar	1.4259	Soloman Is-	Dollar	1.5279
Burundi Fran	io	118,462	Korea (Nth) Won	884.80	Somati Rep	Shililing	1 36.00
Camerous Ro C.F.	A. Franc.	423,973	Kuwait	0.5017	SOUTH AT INCA	Rand	0.8209
Canada Doffe	ar	1,3613	Lan P'ple D. Rep Kip	25.00	Spain	Pesota	163.03
Canary is	Peseta,	163,55 89,2698	Lehenon Pound	18,00	Span Ports in N. ) Africa	Co Becate	. 163.00 :
Cayman is Dolla	IGO I	0.835	Lesotho Maioti	0.8209	Africa	op. resout	
		423,973	1 lhade Doffer	1.00			27.37
Chad C.F.	A. Franc	423,973	Libya	0.9961 9.9745	Judan Rep	Pound Cultdor	9.60
Chad C.F. C.F. Chile Petri	(a) (9)	173,78	Luxerabourg Lux. Franc	85.93	Swaziland	Guilder Lilencent	1.765 9.8209
China Rent	rainbi Yuan	0,9095		8 1193	Sweden	Krona ·	e.250
Comoros Peac	(0)	131,17	Madegascar O.R., Franc	582,711	SMITTELMENT *********	r <i>r</i> ano	0.2745
Comoros Polo Sen of C E	A Franc	423,976	Madeira Port. Escudo	165.60	5yriai	Pound (0)	0.923
Costs Rica Colo		01,00	Majawi Kwacha	1.748 7 2.4690	Talwan	D-11 (-)	40.00
Conge Ppis Rep. of C.F.J. Costs. Rica	5	5.9311	Madagascar O.R Franc Madelfa Port. Escucio Malawi	7.00	Tanzanie	Dollar (8)	40.41 10.90
Czechoslovakia Koru	nd*	17165	Maji RD C.F.A. Franc	483,976	Thailand	Baht	26.805
Czechoslovakia Kori	ma (o)	6,80 10,088	Melta Lira	0.2301	Togo Rep	D.F.A. Franc	423.070
Denmark Kron Ojibouti Rp. of Fran	10	164,014	Mertinicue Franc	5.4795	Trinidad & Tobago	Pa'anga	1,4259 2,409
Dominica E. C	Stibbeen 2	2.70	Mauritania Ouguiya	76.91	Trinidad & Tobago	Dollar	2.409
Per IPe	90	2.70 1.00	Mauritius Rupee	14.87 532.50	Tunksy	Differ Live	0.7010 534.19
Domin. Rep Pe	eo (d)	2.97	Mexico	690.00	Turks & Caloge	U.S. S	1.00
Equador	ore (o <sub>1</sub> c)	07,170	Micuelon Fr. France	8.4795 8.4795	Tuvalu	Aust Dollar	1.4239
Equador	ore (a)	96.75	Mongolla Fr. Franc Mongolla Tugrik (c)	8.4795			-
Egypt	und (I)	0.83	Mongolla Tugrik (o)	5.8563	Ugande :		595,20
Egypt Po	find (e)	1,20	Montserrat E. Cartbbean	\$ 2,70	United Arab Emir.	Oirham	3.875
El Salvador	lon	2.50	Morocco Dirham	10,95	United Kingdom_	Pound Steriing*	1.398
FI 9674500 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	lon (d)	4,50 483,970	Mozambiquo Motica	48.595	Uruguay	Peso Im )	102.03
Eq"ti Guinea C.F./ Ethiopia	Franc (4)	2.0458	Nam lbls S. A. Rand	42,395 2,8209	U00K	MONDIA	0.806
Fearne is Den	*France	10.088	•	}	Vanuatu	Vactor	106.201
Faikland la Pour	net*	1,398	Naura le Aust Dollar Nepal Rupes	1,4239	Vaticas	L're	- 1865,20
FILL and the property of the p		1.1340	Nepal Rupee	15.50	Venezuela	Bolivar (g)	7.00
Finland Mari	ktiena i	5.8904	Natherlands Guilder	0.1827	Venezuela>	Bolivar (g) (1)	4.80
France Fran	<u> </u>	493 970	Noth Ant'les Guilder New Zealand Dollar	1.80		Bolivar (0) Bolivar (4)	14.45 14.00
France Fr. Cty in Af C.F./ Fr. Gulana Fran Fr. Pac. la C.F./ Gabon C.F./ Gambia Dala	r rano	8,4790 423,970 8,4790 154,173	Cordobe	1,8845	Vietnam	Doug (a)	96.5467
Fr. Pac. is C.F.	P. Franc	154.173	Nicaragua Cordoba Cordoba(d)	525.00	Victnam	U.5. 8	1.00
Gabon C.F./	A. Franc	423,975	Niper Rp C.F.A.Franc Nigeria Naira	423,975	Virgin &. U.S	U.3. 3	1,00
Gambia Dala	<b>.</b>	0.0765	Nigeria Naira	0,895	Yemen	Rial	, 7.00
Germany (E) Ostr Cermany (W) Mari	Park (0)	9,7755 2,7750	Norway Krone	8,199	Yemen PDR	Dinar	5.843
Cercingly (17) MET	(14)	07.00 I	Oman Sultanate of Rial	0.3466	Yugoslavia		281.039
Dhana Cedi Dibrettar Pour	104 Y	1.598 !	Pakistan Rupes	15,9078	Zaire Republic	Zelre	50.49
Grasce Drac	thme	977.00	Panama Balboa Papua N.O Kina	1.00 5.9893	Zambia	Kwacha	9.2148-
Greenland Den.	Krone !	10,088	гария м.о кіля	1 9,9025 1	Zimbabwe	POINT	1.8949

n.s. Not evailable. (m) Market rets \*U.S. dollers per National Carrency unit. (e) Freemarket central bank. (o) Official rate. (b) Freemarket. (c) Commercial mts. (d) Freemarket. (e) Controlled. (i) Finencial rate. (g) Preferential mtss. (h) Non-essential imports. (ii) Floating tourism (ii) Venezuels: For debts incurred prior to Fishruary 1983. (2) Peru, August 2: Official mts devaluation of epipore. 12 per cent. (3) Poland. Jana 1: Official per cent. (4) Equatorial Guines: Docamber 31, Currancy joins Finne zone. (6) Janales: November 8, Rate adjustment fixed by Central bi-weekly suction. (6) Sotswana, August 4: Pula revalued by 3 per cent egainst a basket of currancien. (7) Saudi Arabla: Junn 10, Official devaluation. (5) Argentias: Juna 15, New carrency introduced: 1 Austini equals 1,000 Peace. (b) Chile: Jone 29, Official devaluation of 7.8 per cent. (10) July 11, New Immerstation of 18.8 per cent. (11) Italy: July 21, Official devaluation of 6 per cent within the EMS. (12) Mexico: July 11. New Immerstation of per cent. (13) Mexico: July 13: New Immerstation of perusation of the perusation o (b) Finemerket Interbank, ii) Floeting tourist mts. i) Polend, Jens 1: Official nent fixed by Central Bank land. 1 per

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. Council. ate, London. 28

TADE CERTIFICE	ENGINEERING Continued	HOTELS Continued
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12	44 33 Serick Web. 5. 34 40 025 4 10 5 (9.3) 172 130 Spear & Lakeson	288   175   Control 50   240   10.75   3.0   1.7   26.7   17.   21.0   Control 50   24.0   342   16.5   3.5   2.7   22.4   40   51   Control 60   61.0   19.
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### HOUSTRIALS—Gentined

### LETTURE Friday August 30 1985

### LETTURE Continued

### LETT Financial Times Friday August 30 1985 LEISURE—Continued

Stock Price - Ref Crr Grs Pr 

Stock Price - Ref Crr Grs Price - Ref INDUSTRIALS—Continued | PROPERTY - Continued | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 | 1985 PROPERTY—Continued INVESTMENT TRUSTS—Cont. FINANCE, LAND Cont. 1 - + 52 - 146824 - 141222 - 14222 - 1 122 | 123 | 124 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | Platinum

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540 | 0,135 | 0 | 89
550 | 0,500 | 0,4 | 5.7
470u | 0,900 14 | 5.7 Diamond and Chickett | | 1.2 | 1.3 | 2.3 | 2.3 | 2.4 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 OIL AND GAS 235 1 24 235 1 38 242 1 1 38 242 1 1 38 242 1 1 38 242 1 1 38 243 1 3 24 243 1 3 24 244 1 1 24 245 1 3 24 SHIPPING SHOES AND LEATHER | 255 | 197 | FU Group | 208 | ... | 165,75 3.4 3.9 | 10.0 |
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121	122	51ylo	...	187rel	...	4.5	1.5	3.4	12.5				
206	142	51ylo	...	187rel	...	4.5	1.5	3.4	12.5				
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Except does not allow for starts which may also tank for devidend and yell and presented on prespective or the allowing **PLANTATIONS** + or Div 1985 High Low Stock 7.0 5.0 5.6 1.25 2.1 1.3 1026 1.1 10.9 1030 1.3 9.2 1022.5 0 9.4 1015.6 0 7.0 1016.1 1.3 11.7 2.25 2.6 49 | Finance | Land | etc | 1985 | Los | Stock | Price | or | Net | Grir | Grir | Price | 1985 | Stock | Price | or | Net | Grir | Grir | Grir | Price | 1985 | Stock | Price | or | Net | Grir | PROPERTY TRUSTS, FINANCE, LANG Stack Price - Nat Car Gr's MINES ## NINES

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(International Edition Page 30)

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a lee of £800 per annum for each security.

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### Takeover speculation fuels strong advance in equities FT Index up 12.6 at 1,003.9

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Encouraged by the withdrawal of the fibreat of a rail strike and by the announcement of several dayourable trading statements from major UR companies, buyers respected for selected equities vertexies.

Much of the day's activity to the leaders centred around the current speculative favourites, not least Distillers, which were again actively traded. Thorn EMI also came in for a fair measure of support along with Lucas which continued to make

Among the other-blus chips, the half-yearly figures from both British Petroleum, up 12 st 570p. and Blus Circla, 32 higher at 523p, were well received and contributed to yesterday's advance in the Financial Times Ordinary which Ordinary share index which breached the 1,000 mark for the first time since June 7 with a gain of 12.6 at 1,003.9. Against the trend, Associated Dairies' interim results failed to match

interim results failed to match expectations and the share price closed 8 lower at 1359.

Trading was solivened by a relatively brisk demand from "new-time" buyers for the oew 'Account which commences next Manday. Potential bid candidates were also well to the fore in secondary issues as MK Electric appeared on the scene with tric appeared on the scene with an agreed offer for Friedland

Once again. Government Securities remained a relative backwater. However, the continuing steady trend in sterling gave a small boost to market sentiment and quotations were inclined harder. Rises in both short and long-dated stacks ranged to 1 and occasionally more. Interest in index-linked issues tended to fade after the previous day's improvement in response to Press meotion.

#### H.P. shares rise

The major clearing banks were neglected and showed scant alteration, but Hire Purchase issues mada good progress following good interim figures and an optimistic statement from Cattle's Holdings. Cattle's were finally 3 dearer at 35p. Provident Financial gained 13 to 43p in sympathy, while London Scottish Finance and Wagon Finance both firmed 3, to 62p and 83p respectively.

Recently-dull Composite Insurances staged a smart rally with gains stretching into double figures. General Accident moved up 13 to 628p, while Royals, The major clearing banks were

uso 13 to 628p, while Royals, 658p, and Sun Alliance, 503p,

before settling 7 darrer 00 balance at 351p. Allied Lyons featured Breweries, closing 3 higher at 235p following sizeable boying for "oew-tims" amid vagus chatter of a link-up with Imperial Group.
Bins Circle's interim profits

were no better than expected, but the price responded quickly to the appearance of buyers and raced up 32 to 523p. Other leadraced up 32 to 523p. Other leading Building issues made modest progress in quiat trading. Taylor Woodrow, a dult market un Wednesday fellowing comment on the half-year figures, staged a modest tally and clossed 4 dearer at 440p. Alfred McAlpine firmed the same amount to 268p awaiting oews of the South African transaction, while Ward Heldings hardened a coupla of pence to 192p, after 196p, following the satisfactory half-timer. ing the satisfactory half-timer.
Eisewhere, Rohan Group shunped 65 to 100p on news of lower interim profits and reduced

ICI made late progress to close ICI made late progress to closs to higher at the day's best of 657p. Scottish Agricultural Industries shed 15 to 285p after disappointing half-year figures, but USM-quoted Alida Heldings ross 33 to 303p in a restricted market in reply to excellent interim — its and an encouraging statement.

Relatively neglected so far this

Relatively neglected so far this week, Retailers put up 5 better showing and finished with modest Still reflecting the South African situation, Gold shares and Spencer railed a couple of pence to 150p, while late support the industrial sectors were inclined better, where altered.

Once again. Government

Leading Electricals finished at the day's best. Thora EMI were particularly buoyant and sourced 25 to 409p amid revived takeover speculation. BICC. interim speculation. BILL, intermining figures empected next week, rose 7 more to 220p, while British Telecom, 202p, and GEC, 192p, added 5 and 4 respectively. Further consideration of the in-Further consideration of the in-terim figures and planned expan-sion lifted Emess Lighting 10 for 5 two-day advance of 30 at 285p. Godwin Warren Control Systems, firm recently following 5 troker's builtan circular, im-proved 10 more to 160p in reply to the doubled mid-term profits, but Cambridge Electrosic, which also announced interim figures. ilso announced interim figures, dipped 17 to 293p.

The Engineering leaders failed to participate in the general upsurge in equities, but many of the secondary issues posted strong gains. Comment on the interim figures boosted Babcock

### FINANCIAL TIMES STOCK INDICES

:	Aug. 29	Aug. 28	Aug	Aug.	Aug.	Aug. 91	Year
Government Secs	83,62	83,58	83,50	85,70	83.68	88,46	79.75
Fixed Interest							
Ordinary V	1003.9	991,3	990,1	991,4	997.2	988,2	852.5
Gold Mines	280.1	290.4	506.E	511,3	310.1	328,6	569,4
Ord, Div. Yield	4.57	4.75	4.75	4.76	4.78	4.77	4,83
Earnings, Yid. %(full)	11,58	11.75	11.76	11,77	11.77	11,75	11,31
P/E Ratio (net) (")	10,71,	10.54	10.53	10,52	10,48	10,50;	10,65
Total bargains (Est.)	21,582	205 45	20,268	91,825	31,171·	21,989	16,120
Equity turnover &m.:	- :	300.64	245,98	328,04	319,67	386,74	272.36
Equity bargeins	- :	17,346	18,361	18,371	20,215	22,583	17,498
Shares traded (ml)!	- :	151.4	123.8	174,5	168.4	184,5	154.8

♥ 10 am 997.5, 11 am 995.8. Noon 996.4. 1 pm 997.3. 2 pm 996.7. 3 pm 1001.6. 4 pm 1002.8.

Osy's High 1004.2, Osy's Low 996.5. Busis 100 Govt, Becs. 15/10/28. Fixed Int. 1928, Ordinary 1/7/38. Gold Mines 12/9/58, SE Activity 1974. Latest Index 01-248 8028

" Nit = 10.32

HIGHS AND LOWS

					INDICES		
	19	195	Since Co	mpilatin	<b>!</b> . !	Aug.	Aug
	High	Low	High	Low	Daily		
ovt. Secs.	83.87	78,02 (28/1)	127,4 (9/1/98)	40.18	Bargains Equities		116.8
xed int	88.81 (25/5)	89.17 (28/1)	150,4 (28/11/47)	50.53	Value	807,7	110.0

favourites cama to the fore with LBC International 5 up at 144p. H. Young 11 higher at 108p and Extel 13 to the good 5t 343p. Eisewhere, Stat-Plus gained 7 to 182p in reply to good interim Recently-dull Composite Insurmices staged a smart rally with
terms stretching into double
terms stretching into double
terms of 628p, while Royals,
58p, and Sun Allance, 503p,
to 621 apiece.

The drinks sector cootinued to interim results from James Neill

interim figures boosted Rabcock favourites cama to tha fore with
Luternational 7 to 147p, while
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settled 14 to the good at 229p.
Interim results from James Neill

interim figures boosted Rabcock
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Luternational 7 to 147p, while
Extel 13 to the good at 343p.
Composite Insurtakeover speculation
the continued to encourage
demand for Vesper, which
settled 14 to the good at 229p.
Interim results from James Neill

were given a good reception and the shares improved 6 to 1820. Half-year figures and the accompanying statement from Thomas Robinson, however, led to persistent selling and lowered that questation 5 to 949.

Asociated Dairies' preliminary results were indeed disappointing and the price reacted to close 8 down at the day's lowest of 1389. Bejam were favoured on bid hopes and gained 9 to 1959. Eisewhere, Associated British Foods found support at 232p, up to 320p and Carr's Milling 6 to 120p, the latter following newsletter comment.

Friedland up on bid

The miscellaneous industrial sector displayed numerous features. Friedland Doggart jumped 100 to 315p following the agreed bid of 320p per share cash from M. K. Electric, Other takeover favourites cama to tha fore with LBC International 5 up at 144p.

Wake of the half-year figures and shed 7 to 340p. Buying ahead of the respective interim results the respective interim results due shortly lifted H. Brammer 18 to 23p on second thoughts shout the annual statement. Bowater structed further speculative demand and crose 10 more to 328p, but recently from taking at 300p, down 15. The leaders made steady progress and closed at the day's best Metal Box and Reckitt and Calman, both dull on Wednesday on wornies about their Sooth African interests, staged rallies; the former picked up 8 to 478p, while the latter improved 6 to 518p. BTR, also dull on Wednesday for the same reason, met with revived demand and closed 10 higher at 358p, British Aerospace firmed 5 to 363p, after 367p, swiiting today's interim results; the new shares touched 190p prior to closing 5 dearer at 185p.

LBC International 5 up at 144p.

LBC International 5 up at 144p.

the new shares touched 190p prior to closing 5 dearer at 185p.

Lucas Isdustries took Wednesday's rally a stage further, rising another 8 for a two-day gain of 18 at 336p as personnal talk of a point from the U.S. re-emerged. There is a personnal talk of a provided an onstanding enign equipment interests in 180 to 180 p following a newsletter recommendation.

Publishers were mixed. Awaiting the provided an onstanding firm feature in 810 Tints-Zinc which advanced 15 to 585p.

ing further development in the domestic equities. Conselidated 356p, gave up 4 of Wednesday's ing the suspension of trading on gain of 15, while rejected suitors the Johannesburg market and

YESTERDAY'S

**ACTIVE STOCKS** 

United Newspapers finished a few pence cheaper at 305p. Haynes Publishing, preliminary results scheduled for inday, hardened 5 to 320p. Paper/Printings featured fresh strength in Bunsal which advanced 7 more to 480p following acquisition news; the interim results are due not what interim results are due next Wednesday. Among advertising issues, gains of 10 were common to Bosse Massimi Politt, 350p, and Addison Page, 213p, but Good Relations remained friendseed helations remained friend-less reflecting the continued ab-sence of bid news and shed 8 more to 195p. Further considera-tion of the boardroom shake-co-lifted Geers Grees 4 higher for 3 two-day improvement of 8 at 52p.

BP advance
"New-time" buying was mainly responsible for widespread good gains throughout the leading oils. BP held pride of place in the sector with the shares advancing to equal the year's best of 573p prior to closing 5 net 12 up on balance at 570p following second quarter net income in excess of the most optimistic market forecasts. Shell, due to report interim figures on September 12, improved in sympathy to close 11 better at 711p while LASMO, with interim results scheduled for next Tuesday, moved up a similar amount to 285p, after 288p.

Golds down again Continued concern over the

and the easier trend in precious motal prices after Wednesday's upsurge brought renewed pres-sure to bear on South African gold and related issues. Golds were marked lower at the out-set of trading, reflecting further U.S. selling overnight, and continued to drift easier on lack of interest for much of the remaining session. However, sentiment improved afterhours when a number of Continental opera-tors moved in to pick up cheap stock. Nevertheless, at the close of trading falls remained sufficient to lower the Gold Mines index a further 10.3 to 230.1, extending the fall over the past two days to one of 26.7.

In the leading Golds Randfonder retreated a further \$14 to

tein retreated a further £11 to to i were common to Southwasi. \$20f. Western Deep. \$22† and Western Heidings, \$15‡. Vasi Reefs, bowever, rallied strongly in the wake of Continental support and settled almost \$2 higher on balance at \$50.

Major casualties in cheaper priced issues included Doorston-tein, 70 down at 758p, West Band

subsequent steep fells in Golds, structed persistent small buying and edged up 5 to 405p. The easier bullion price and a rather disappointing showing by Sydney and Nelbourns markets overnight led to a quietly mixed showing by Australian mining issues. In the leading diversified stocks Peke-Wallsend rose 8 to 240p in response to the

### NEW HIGHS AND

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Come. Plants, Hotel Kaste Hagers
Harrisons My Plants (57)
Billies (57)

#### RISES AND FALLS YESTERDAY

169	F.P.	2/6	55	58	\$ATA Selection 5p.	60
180	F.P.	2/6	58	69	\$Abey Life 6p.	544
67	F.P.	69	58	69	\$Abey Life 6p.	544
67	F.P.	69	58	69	\$Aberdin steak H. 60	
68	74	F.P.	530	121		
184	F.P.	12/8	140	150	\$Aoplettree 10p.	257
188	F.P.	2/8	140	150	\$Aoplettree 10p.	255
188	F.P.	2/8	140	150	\$Aoplettree 10p.	255
189	F.P.	177	6	\$Bradstock 5p.	178	
170	F.P.	2/8	121	165	\$Bradstock 5p.	178
180	F.P.	145	140	\$Bradstock 5p.	182	
180	F.P.	170	131	\$British Aerospace \$6p	185	
180	F.P.	170	131	\$CAP 10p.	180	
180	F.P.	170	131	\$CAP 10p.	185	
180	F.P.	48	37	\$CCA dalleries 10p.	45	
180	F.P.	50/6	100	93	\$Cobrat mer idiffices	23
190	F.P.	6/9	185	116	\$Control Techniques	120
190	F.P.	6/9	175	\$First Security 10p.	176	
190	F.P.	157	176	\$First Security 10p.	178	
190	F.P.	185	125	\$Green Property Ir. Sep	18	
190	F.P.	145	145	\$Green Property Ir. Sep	18	
190	F.P.	145	125	125	\$Green Property Ir. Sep	18
190	F.P.	145	125	125	\$Green Property Ir. Sep	18
190	F.P.	145	150	\$Green Property Ir. Sep	150	
190	F.P.	145	155	\$Green Property Ir. Sep	150	
190	F.P.	145	155	\$Green Property Ir. Sep	150	
190	F.P.	145	155	156	\$Green Property Ir. Sep	150
190	F.P.	145	155	156	\$Green Property Ir. Sep	150
190	F.P.	145	155	156	\$Green Property Ir. Sep	150
190	F.P.	145	155	156	\$Green Property Ir. Sep	150
190	F.P.	155	156	\$Green Property Ir. Sep	150	
190	F.P.	155	156	\$Green Property Ir. Sep	150	
190	F.P.	155	156	\$Green Property Ir. Sep	150	
190	F.P.	155	156	\$Green Property Ir. Sep	150	
190	F.P.	155	156	\$Green Property Ir. Sep	150	
190	F.P.	155	156	\$Green Property Ir. Sep	150	
preliminary results, as did Min Heldings, 133p. LOWS FOR 1985						

RECENT ISSUES

EQUITIES

FEXED INTEREST STOCKS

		_					73
lectic price	Amount paid up	Renumo.	19		Seook	Closing	+
							<del>-</del>
44	25 F.P. F.P. 235 F.P. 285 F.P. F.P. F.P.	Ξ	198 104p 21tr 28 100tr 103 34 tr 100tr 100tr 100tr	261 100 187 105 51 293 36 99 100 994 100 1084 25	Connoc St. Invs. 1720v. Cm. Rd F7444   Guinness 642 Onv. Una. Ln. 1894201.   Hanson Tet. 6.75% Onv. Ourn. Red. Prf   Intl. Bt. for Reo. 5 Dev. 94g Ln. 2010   Kaystans Invs. 114g Deb. 2010/15   Lowland Invs. 114g Deb. 2010/15   Lowland Invs. 114g Deb. 2010/15   Halaysia 104g Ln. 2006   Halaysia 104g Ln. 2006   Matterwide Bidg. 2007   Do. 114g Eds. 11665   Do. 114g Eds. 19666   Oddnam Met. Sorough 124g Rd. 2022   EFA St. Cum. Pref.	101 172 106 18149 5076 10076 10076 10076 10076 1137 100	+ + +
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00 180 47 25 280 380 68 185 510 25 230 180 400 428 250	P.P. F.P. 1011 F.P. F.P. 100 F.P. 1011 F.P. 1011 F.P.	25/8 2/9 17/9 11/9 13/9 27/9 26/10 4/9 34/9 30/6 20/9 25/9	200 298 5pm 221 <sub>2</sub> 7 342 56pm 150 708 23 45pm 145 4pm 145 568 50pm	506 40pm 65pm 65pm 99 596 26 26 20 125 20m 125 465	RApplied Holographies 5p. Sestwood 15p. Strik Vending 10p. Srown U.) A. Deres Est. 8 Sp. (Crisia. Forshaws Burtonwood. Harneo Trusk Hazevood Foods 70p. Holton Oceans Dev. Inv. Tst. Prestwich RTD Group IR 1,73p.	155 295 296 7 34 46pm 63pm 127 705 86 2pm 140 2pm 550 46pm	+

**OPTIONS** 

Pirst Last Lest For Deal-Declara-Settle-logs ings tion ment Ang 19 Sept 6 Nov 21 Dec 2 Sept 9 Sept 20 Dec 5 Dec 16 Sept 23 Oct 4 Dec 19 Dec 30 For rate indications see end of Shares Information Service

Resources, Moodhouse and Rixson, Woodhouse and Rixson, Reginton Oil and Gas, Falcon Resources, Brunswick, C. H. Balley, Petrogen, Combined Technologies, Energy Capital and Atlantis Resources. Wheway Watson ware dealt in for the cont while double options were Gall options were transacted put while double options were in STC, United Guarantee, Distance out in S. R. Gent and tillers, Polly Peck, Greenwich C. H. Bailey.

### FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times,

& SUB-SECTIONS									29 1	985		Wed And 28	Tes Aug 27	FH 423	Year lago (upprass.)
F	gures în parentist stocks po	tses show tr section		) 10	dex to,	Duy's Change	Est. Escale Yield (Max	7	Gross Dir. Vield% (ACT at 30%)	Est. P/E Ratio (Net)	nd add. 1985 to date	Index No.	(mtex No.	Index No.	factor No.
1	CAPITAL GOOD				7.29		185		413	12.00	18.52		8 5340	535.63	513.06
2	Building Materia	als (22)			9.80		11.7		4.73	10.52	11.92			560.30	
3	Contracting, Con Electricals (1.4).		(29)		1.13 3.61		12.0		4.76	10.68	17.54			838.47	
3	Electronics (38)				0.16		10.9		5.05 3.09	11.60 12.67	27.30		1 1456.1		
6	Mechanical Engl	anical Engineering (62)				+0.6	10.9		4.71	1115	6.75				
8	Metals and Meta	us and Metal Forming (7)				+0.8	114	16	7.43	10.61	433	209.7			
10	Motors (36)			16	7.20		13.2		5.06	9.35	3.55			.,	
낊	Other Industrial CONSUMER OF				4.36 4.10		7.2		3.51 3.82	16.77	15.81				
22	Brewers and Dis				8.41		163		4.32	12.20	13.81				
25	Food Manufactu	ring (21)		50	4.03	+0.8	114		4.43	19.86	13.09				
26	Food Retailing C				3.81		63		2.62	22.04	16.93		7 1437.44	1638.60	
27	Health and Hous Leisure (22)	SEBOIG L.LC	ducts (7)		3.36 3.33	+15	8.2		2.74	18.77	11.95	1067.5	7 3075.11	1872.64	
32	Newspapers, Pul	blishing C	12)	120	330 130	-0.1	1 2		4.78	15.70	20.79		6 1899.72		573,93
33	Packaging and P	aper CI4	)	36	1.35	+0.8	9.8		4.07	12.18	6.20				
34	Stores (42)				6.79		7.3		334	1856	9.53	673.0	675.64		
35	Textiles (36)				112 104	+0.6	133		5.01	8.51	7.97				
ã	STHER SROUP	(mp			7.35	+22	13.0		5.26	6.27 14.24	14.73	800.8 689.7	798.54		688.04
42	Chemicals (29)_			_ 67	1.62	+10	145		5.62	9.08	24.55				
44	Chemicals (3.9) Office Equipmen	t (4)		207	7.24	+9.6	7.7		4.24	15.47	3.64		2 206.91	207.34	
45	Shipping and Tra	Masport CI	2)			+0.4	81		4.42	15.33		1176.4			868.97
46	Miscellapeous (6 Telephoge Netwo				2.56	+0.2	7.3		3.73	16.58	14.06				647.25
49	INDIETRIAL C	DOUB /	821	- 74	资	+1.9	95	- 1	3.54	14.45		2795			513.88
51	0(b (17)	USTRIAL ERCUP (483)				+1.9	15.6		7.02	7.5			651.44		
59		O SHARE INDEX (500)				+1.1	10.3	_	4.37	12.10			694.34		
ä		ANCIAL GROUP (115)				+0.5		~+	4.94	12.10	12.39				363.94
62	Banks (6)	201 (22			36	-0.2	28.6	11	GIA.	7.44	19.80				
65	Insurance (Life)			_ 764	5.29	+0.8	l —	-1	4.25	_	24.71	760.3	761.17		25115
66	Instrance (Comp	osite) (7)		373	156	+1.6	] =	-1	5.28		2.53	365.7			213.67
67 68	Marriage (Broke	rrance (Brokers) (7)			1.72 1.78	+0.6	8.2	7	3.59 4.76	16.18		233.94		3346.23	858.40
69	Property (50)	1-4/		661	45	+0.2	5.6	4	3.63	23.79	9.84	660.37			210.65 599.75
70	Other Financial(2	<b>25)</b>	<u> </u>	273	.20	+0.8	10.2		5.96	11.97		2734		277.30	247.JA
71	Investment Trust					+84		Т	3.64	1		588.93		586.82	514.05
81 91	Mining Finance ( Overseas Traders	37			춫	+2.2	12.6		5.99	9.15	5.36 23.86	250.45		260.55	278.64
69	ALL-SHARE IN		1			+1.0		4	4.46			577.95		601.88 635.04	545.28
<del>"</del>	AND DESCRIPTION OF THE	- (1.5c	<u> </u>	Ind	_	Day's	Day	+	Day's		_		_		
		1		N	0.	Change	High	N I	Low	Ang 28	77	Abg 23	Aug 22	450	Year
	FT-SE 100 SHAI	RE INDE	K	132	3.9	+15.7	1323.9	9 1	311.2	13042	1310.4	13135	1309.7	1313.9	1101.9
				-	_		7		AVER	CE GRO	185		Ter	Wed	Year
	F12	XED	IN I E	KE5	•		- 1		REDE	PILON	YIELDS		25	28	(approx.)
	PRICE	Ther	Desta	Wed	1.				Beitts	t Coyera	ment				
	NDICES	Ang	Day's change	Aug			1 ag. [ 1985	1			years		9.96	9.97	11.20
		29	%	28	1 7		date	2		s . 15	years		10.13	19.15	10.79
Ti	british Countinent	1	<del></del>		-	<del> -</del>	-	3		25	years		20.14	10,15	10.24
- 11		3700	40.00	176 70	1	_ (		- 7	STITLE OF THE PERSON NAMED IN	, ,	,		18.50	33.53	11.13
- 4	5 years	119.81		119.70			7.36	5 Coupons 15 years			19.17	18,19	10.46		
2	5-15 years	233.04	+009	152.92	( <b>-</b>	- [	9.31	7			Jen		10.89	18.40	11.91
3	over 15 years	138.14	+8.12	137.97	1	-	9.21	8			years		18.66	18.67	11.30
- 1	rredeemables	151.46	-	151.46	۱.		8.55	9		25	years		1831	10.32	18.58
- 1					i .	1		10	irredet	mables			3.76	3.75	16.23
21	41 500CKS	stocks 130.97 +0.18 13					8.67	11			5 years.		11.42	11.49	12.41
6	Chesters & Lans 112.88 +0.09 11				۱ –	_ } .	6.91	12			15 years.		11.35	11.36	12.28
4			╄╾	_		13	-		25 years.	*****	11.22	11.24	12.14		
711	reference	79.94	_		4.68	_	Prefere				1227	12.27	13.89		
				BRITIS	H CC	VERNN	ENT H	NDE	X-LIM	ED STO	CKS				
8	UI stocks	111.49	111.45	Γ-	•	241	15	nfiation	rate	5%. 10%.		3.55	3.55 3.35	3.78 3.59	
	<u> </u>							_							

ACTIVE STOCKS

Above everage ectivity was noted in the following stocks yestarday,

Cloeing Day's price change Alted-Lyons 23 + 8

Associated Dehias 138 - 8

STR 138 + 10

Seechem 341 + 3

Blue Circle Industries 523 + 32

British Aerosposet 155 + 5

British Aerosposet 155 + 5

British 216 + 3

Oradiers 351 + 7

URC International 144 + 5

Ladbroke 297 + 10

Shall Transport 711 + 14

Thorn EMI 1 Parily peld. **EUROPEAN OPTIONS EXCHANGE** 540 2.50 2.50 1.70 A 5.50 18.80 A 18.80 A 29 A 1.18 1.90 5.50 March 2700 F1,310 F1,320 F1,340 F1,345 F1,310 F1,310 F1,330 F1,330 F1,345 F1,340 F1,345 F1,340 F1,3 7.80 F1.810.2
7.80 F1.124.
8.90 F1.12
7.80 F1.12 Oct.
97 7.80
154 4
519 2.70
567 0.30
242 3.95
17 5.50
187 5.50
187 5.50
187 5.50
187 5.50
187 5.50
187 5.50
187 5.50
187 5.50
188 4.50
1 3.30
141 2.30
141 2.30
151 1.50
170 8.80
1,10
188 1.70
198 1.70
198 1.70
198 1.70
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198 1.70
198 1.70
198 1.70 F1.500 F1.500 F1.250 F1 3.50 FL 19 20 F 308 46 81 82 82

**LONDON TRADED OPTIONS** 75 | 80 47 | 65 53 | 33 Coma. Oold 390 38 50 64 15 (\*409) 450 90 35 60 35 460 5 22 53 72 500 5 12 17 112 94 96 96 63 78 40 50 20 83 77 5 50 5 18 26 18 40 7 23 28 10 BAT Inda. | 300 | 95 (\*513) | 330 | 15 380 | 3 390 | 1 41 | 44 | 29 | 16 | 21 | | \$\frac{250}{250} \ \frac{23}{250} \ \frac{23}{250} \ \frac{23}{25} \ \frac{25}{250} \ \frac{23}{25} \ \frac{25}{250} \ \frac{23}{25} \ \frac{25}{250} \ \frac{23}{25} \ \frac{25}{250} \ \frac{25}{25} \ \frac{25}{250} \ \frac{25}{25} \ \frac{25}{250} \ \frac{25}{25} \ \frac{25}{250} \ \frac{25}{25} \ 90 - 2 67 65 8 67 48 18 20 - 57 6 - 60 - 100 On Aug Sep Oct Dec Aug Sep Oct | 1800 185 199 | - 186 012 2 | - 1250 73 52 87 92 016 5 6 1250 24 40 42 67 1 12 95 1355 - 20 32 - 59 40 1350 - 5 - 88 - 40 40 

### WORLD STOCK MARKETS

TORONTO Prices at 230pm August 29

			WO	KLD STO	CR IVIAN
AUSTRIA	GERMANY	NORWAY	AUSTRALIA (continued)	JAPAN (continued)	1
Aug. 29 Price + or Sch%	Aug. 08 Price + or	Aug. 82 Price ' + or Kroner -	Aug. 28 Price . + or	Aug. 22 Price + or	CANADA
Goesser 355 -5	AEG-Tele7	Borregaard 432.8 +4.5 Christiania Bank 139 +2.3	Oen. Prop. Trust. 2.28 +2.02 Nardie (James) 3.2 -0.02	MH1 400 + 5 - Milsul Estate 1,000 + 50	Sales Stock High Law
Laenderbenk 354 +4 Perimoser 320 -30	Bayer-Hypo 370 i -4	Elkem	Hartogen Energy 9,5	Nitsukoshi 706 +17 N2K insulators 707 +25 Nihen Cemant 336 +8	TORONT Prices at 230p
Steyr-Daimler 170 -5 Veltscher Mag - 568	BHF-Benk 318	Kvaerner 166 -1 Norsk Deta 387.3, +12.6 Norsk Hydro 108.0 -0.3	Jimberiana F.P 0.85 +0.95 Kia Ora Gold 0.15 Lend Lease 6.75 -2.14	Nippon Denso	August 29
BELGIUM/LUXEMBOURG	Gramerzbank 308.5 —2.5	Storebrand 951 —8	Mayne Niekless 2.66 +0.1 Mayne Niekless 5.1 +0.1 Myer Emperium 5.30 +2.03 Nat. Aust. Bank 4.48 -0.02	Nippon Gakki	18216 Agrico E \$2024 - 20 51005 Alt Energy \$20 18 230 Alta Hat 5141 <sub>2</sub> 14
Aug. 29 Price '+ or	Cont'l Dummi _ 166.5 + 1 Daimier-Benz 963 - 1 Deguess _ 376   +1	SPAIN	Nat. Aust. Bank 4.48 -0.02 Naws	Nippon Salko 465	252 Algorna St \$211 21 350 Argon \$22 22
Bang. Ben Lux 7,050 Bang. Int. A. Lux. 6,800:	D'sche Babcock, 162   +3 Deutsche Bank, 579.8 -8	Aug. 29 Prios : For Pta2 -	North Skn Hill	Hippon Suisen 400 5	700 BP Canada \$33 35 23268 Bank BC 557, 58
Ciment CSR 0,480 +15	Oresdoor Bank 274.9 +0.1 12HH	Boo Blibso   852   515	Pioneer Cone 0.02 1 +0.02 Poseidon 4.8 +2.1 Queensiend Coal 1.66 -3.04	Nippon Yusen 512 +7 Nissan Motor 680 :	74544 Barrick e 190 18
ESES	Hoesch Werka 216.8, -0.8	Boo Hispano 145	Reckitt & Colman 3.6	Nesshin Steel 177 '-1 Nomura	20268 Bonanza R 365 36 2160 Bretome 420 42 200 Sramalea \$173 17
C8 Inno BM 3,700 +6	Hussel 365 : -5	Bco. Vizcaya	Santos	Orient Lossing 2,490 : -30 Ploneer 1,750	4541 BCFP 587 B 16355 BC Ros 236 25 23726 BC Phone \$245 24
Hoboken 5,400 +40	Karstadt	Petrojeos	Tooth	Ricen B13 —90 Sankyo — 1,150 +90 Sanyo Elect 396	50 Brunswik \$1512 15 600 Budd Can \$31 30
Pan Hidgs	Kloeckner 68 +0.5 Linde 515 +8.5		Westpad Bank _   4.4	Sappore 552 +3 Sekisul Prefab 883 -90 Seven-Elevan 6,450	83985 CAE \$15% 15 8000 Cad Frv 512% 15 T100 Campeau ( \$28 25
Boyale Beloe 72 750 +250	MAN 157.5: +4.3	SWEDEN Price   + or	Woolworths 3.98 Wormald Inti_ 5.98	8himadzn 699 : +8	1885 C Nor Wes \$241, 24 550 C Pecire 5341 34 4518 Can Trust \$41 46
Soc. Ben. Belge 1,800 —10 Sofina	Mercedes Hid 863 —3 Metaligesell — 971,6 +5,5 Muench Rueck 1,830 ——	Kronor —	HONG KONG	8hiseldo1,080 -10 Sony3,560 -70	200 C Tung \$13 12 42154 CF Bk Com \$585 88
Stanwick Intl. 1,300 17 1000 1000 1000 1000 1000 1000 100	Porsche1,338 +B	Affa-Laval 8 188 +1 ASEA (Free) 293 Astra (Free) 395	Aug. 29 Price + or	Stanley	1100 Cara 5161, 16 1763 Colango 894 9
VCB	Rhein West Elect: 1015; +0,5	Atlas Copco	H.K.\$ — Bank East Asia 22.3 —0.3	Stome Marine 720 -5	20390 Cinepiex 318 95
DENMARK	Schering 466 +5 Siemeos 552 -5 Thyssen 129,7 -0,3	Celluloss	Cheung Kong 18.4 -0.2 China Light 13.8 -0.1 Evergo 0.8 +0.82	Taisei Corp 556 · +1 Taisei Corp 363 · +15 Taiseo Pharm 1,390 —10	20390 Cineplex 318 95 6700 C Dieth A 576 71 3000 CDieth B f 571, 71 25 CTL Bank 511/g 11 1200 Cosets R 345 24
Aug. 00 Price + or	Varta 241 -8 Veba 258.5 -4 V.E.W 147.5 -0.5	Esselte	Hang Seng Bank 45.75 Henderson Land. 0 40:	Takeda 909 +10 TDK 8,870 40 Tellin 500 +0	1690 Canron A \$145 14
Andelsbanken - 329 +5 Seitic Skand - 565 +3	Verein-West 555 +1 Volkswagen 534 -+0,3	SaabScania Free 405 : +78 Sandvik 450	HK Electrie 6.25 -0.05	Telkoku	74450 Gzar Res. 230 22
Coptiandelsbank, 302 : +0 D. Sukker7ab 510 : +5 Ganake Bank 559   +4	ITALY	8kan Eoskilda 54 5KF 815	HK Land	Tokyo Elect Pwr 9,180 -171 Tokyo Gas 237	<u> </u>
De Danske Luft_1,315	Aug. 29 Price : + or	Sonesson 149 -4	Hutchison Wps 28.0 -0.4 Intnl City 0.93 -0.1 Jardina Math 13.0 - 0.1	Tokyo Sanyo 650	
Foreneda Brygg. 995 +30 Forenede Damp. 211 +5 GNT Hidg 490 +0	Banco Com'le 24,180 Bastogi-RBS 255	Swedish Match 101 : +1 Volvo B (Free) 239 ; +1	Hew World Dev. 7.7 -0.1 Orient O'seas 1.95 -0.06 SHK Prope 15.0	Toray 559 -1	NEW YORK
Jysko Bank 735 +15 Hove find 1,250 -80	B.I-invest	SWITZERLAND	Shell Elect 1.3	TOTO	NEW YORK
Privatbanken 514 +5 Provinsbanken 589 +4	First 4,290 + 191 Finsider 57,500; + 510	Aug. 29 Price 4-or	TV-8 7,35 -0.25 Werld Int. Hidgs. 8.80.85	Victor 1,380   +90 Waccal 780   -3	Aug. Aug 92 97
Smidth (F.L) 8 279 Sophus Berend 1,010 +05 Superfos 401 +3	Italcementi	Adia intl	JAPAN .	Yamanouchi 5,220 +190 Yamazaki 830 +19	eindustri'le 1331.88 1322.4
FRANCE	Montadison	Bank Lett	Aug. 29 Price + or	Yasınla Fire 582 -13 Yokobawa Bige, 691 -13	Home Bnds 80.11 70.9 Transport 687.27 588.5
Aug. 39 Price +	Persili Spe	Elektrowatt 5,400 +10	Alinomoto1,030 +40	SINGAPORE	Unimies 150.03 159.5
Frs. or —	Torp Assic	Hoff-Roche 1/10. 0,725, +50	America 771 —19 Assahi Chem 805 +5 Assahi Class 805 —3	Aug. 29 Price + or	TradingVol 93,630 82,14
Emgrunt 7% 19748,435 —20 4coor	NETHERLANDS	Jacobs Suchard. 6,900' +75 Jelmo9	Asshi Olasa	Soustead Hidgs. 1,54 +0,52 Cold Storage 2,53	+bay's High 1334.79 (15)
Air Uquide	Aug. 29 Price + or	Nestle	Chugai Pharm 934 +17 Citizen 401 +5	088	Industrial div. yield %
Bouyguea	ACF Holding 245.6, +0.5	Sandoz (Br) 387 +0 Sandoz (Br) 8,800 +225 Sandoz (PtCts) 1,450 +35	Dalel	Haw Par, Bros 9.06 +0.82 Hong Leong Fin : 2.3 -0.02 Inchospe Bhd 9.15 Keppai Shipyard 1.24	STANDARD AND POORS
Club Mediter n 523 +5	Ahold 240.8 +9.9 AKZO 124.5 +0.8	Schindler (Pt Cts) 010 Sike 1,840 Surveillance A 6,575 +125	Darwa House 844 -6 Ebara 481 +10 Elsal 1,550 -50	Malay Banking 5.5 +0.06 Malay Utd. Ind 2.4 -0.81	Aug Aug 25
Conmeg 288.5 -1.5 Conmeg 1988.5 -1.5 Commart 1940 +10	ABN 511.5xr +2.5 AMEV 291.3 +8.0 AMRO 89.5 +1.6	Swissalf	Fanuc	OCBC. 7.9 OUE 0.51 +0.8	Industrials 289.72* 289.80 1
Darty	Bos Kelis Westm. 18.3	Swiss Volkabk 1,725	Fujitati 880   +10	Public Bank 1,56 , +0,51 5ime Barby 1,73 +0,61 Singapore Press 5,5	
Enux (Cie Gen) 646 +2 Elf-Aquitano 301 -3.1 Easifor 2,255 +5	Calland Hidgs 38.4 +0.2 Dordtsche Pet'm 178.8 +1.4	Zurich (na	Creen Cross	Straits Trdg 8.50xc: +0.04 Tat Lee Bk 0.86 UOB 3.4 +0.64	Compacine SHERF SHERS
imetal	Elsevier NDU 130   +0.5 Fokker 77.5 +0.3	AUSTRALIA	Hitachi 670 Hitachi Gredit 1,070 Honda 1,330 -20	SOUTH AFRICA	
Lafarge Coppes, 540 , -5 L'Oreal	Cist Broades 015 -1.5 Heineken 150 -0.5 Haogovece 68.9	Aug. 29 Price + or Aust & -	House Food	Aug. 27 Price + or	but P/E State
Maisons Phenbu. 150 -10 Matrix S.A. 1,730 +57 Michelin B. 1,226 -10	Int Muclier	ANZ Group 4.7 0.84 Alliance Oil Dev., 1.05	itoh (C)	Aberdom 1.7	Long flow Blood Yold
Midi (Cle)	Nat Ned Cort 75.2 -0.1	Ampol Pet	JACCS	Aneso Am Coal 59	HLY, & E ALL COMMON
Meulinex	Nedfloyd 179,5 -1 One Grinten 357 +1 Ommeren (Van). 29.1 -Q.2	Aust Nat. Inde 2.66 +0.63	Kad Sosp	Anglo Am Gold 198 1	Aug Aug Aug Aug 72 28 7
Petroles Fra 838 . +1	Pakhoed	Bell 0 roup 5,0 -0.1	Keshiyama 780 -10 Kirin 740 +10 Kekuyo 950	Buffels 77.5	198.35 105.36 18E.07 18E.63
Peugeot S.A. 405 +5 Printempts Au 290,1 +8,1 Redictech 318 -4	Rodamco 75,7 +0.1 Rodamco 153,5 -0.1 Rolinco 65,8	Bond Corp Hidgs 1.78 -0.97 Boral 3.38 -0.92 Bougal mylle 1.22 +0.02	Konstal 529 -+14	Currie Finance 4.00	
Redoute 1,548 19. Roussel Uolaf 1,638 : 2	Royal Outch 195.3 .+ 1.9	Brembles Inds 2,95	Kubota 568 +2 Kurragai 368 +4 Kyocerz 5468 -50 Maeda Const. 910 +5	FS Geduid 50 25 Gold Pields SA 56	11 12 11 11 11 11
SkinRossionel 1401 ' +1	Unitever	B.H. Proposition 7.18 -0.02 CRA	Marcia Const	Highwold Steel 5.4	Stocks Tended
Thomson CSF 674 ; +2	West Utr Bank 80 +1,5	CastlemeineTys, 8,0	Marubeni 596 +1 Merodal 685 6	Protes Hidgs 2.35	Westy Et
	aga ere se quoted on the	Consolidated Pai 0.34 -0.82 Consolidated Pai 0.34 -0.82 Costain Aust 1.9	Marul1,400 · _50 MEl1,820 M'ta Ejec Works, 8705	Rust Plat 18.4 18.4 Sage Hidgs 0,5	TWA 1,351,500 Type let 1,222,400
individual exchanges and are in suspended, and Ex dividend, a		Elders IXL 3.98	M'bishi Bank 1,550 +10.	Smith (CG) 29.75	Advenues UST Services 688
xy Ex all.		Enery Res 1.65 +0.99	M'bishi Estate 983 +5	Tongaat Huisite 5.58 Unises 5.05 ;	Tamouro
			-7-		Marais & Wints 2.1 Composite 2.1
OVER-THE-	COUNTER	Nasilog national market,	2.30pm prices		MONTREAL Portfolio 13
A. B. B. L. L.	Charles S. La 15	h laure Day 1 Sud 9	Name of the Association of the Land		" Indicates pre-close ligans

\$1005 AB: \$230 Abg: \$230 Abg: \$232 Abg: \$230 Abg: \$232 Abg: \$230 Bani \$230 Call \$230 C	Proceico E Energy Nau Stein St	51412 52213 52213 5233 51139 5235 51379 190 51738 52458 52458 52458 51574 52458 51574 52458 51574	200301411122213231156668000000000000000000000000000000000	**************************************	TRANSPORTER TRANSPORTER TO WELL TO SERVICE TO THE S	7875 DO	braiter bidcorp 1 bodyear Forest wyhnd netter tyes 0 see inti Bay Co seco sel pile and Gas	\$201 613 \$121 \$31	778 778 778 778 778 778 778 778 778 778	5 77 25 24 4 5 25 1 77 8 20 5 1 2 2 25 1 2 25 2 25 1 2 2 2 2 2 2 2	· · · · · · · · · · · · · · · · · · ·									
										in	d									
NEW		RK		DOW	TONE	•	19	285	Sloo	e Com	חימו									
	AUB	. Aug		06	28 :	AUG.	High	LOW			ow.									
#Industri*	1831.	1322	47.18	17.65 15	51B.E2	518.15	1359.5	1184	99 1 5 5 5	54: 42	1.28									
Home Box		P 70.			70.01	79,59	16/1	70.5	(19/7	65  · (2/)										
Transport					86,80	686,33	702.5	553.0	5 702	.6 12 MSI (8/7	.52									
		3 159.	52 15	8.01 1	59,21	159.11	169,21	146.	168	<u>9</u> 1 f9	.5									
TradingVo	93,63	0 82,1	40, 70	,290, 7	5,510	90,600		-			Trading Vol (12/7/66) (28/4/42)									
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STANDARD A	Aug 29	Aug 28	Aug 27	Aug 4,66 Aug 28 28.18	Aug 23 2307.85	Aug 22 258.17	Aug 4.6	0 5 25	Sloce High 4 216.1	4.57	10m 10m 10m 10m 10m 10m 10m 10m 10m 10m									
STANDARD A	Aug 29	Ass 28	Aug 27	Aug 4,66 Aug 28 28.18	Asp 223 287.15	Aug 15 4.68 Aug 22 288.87	Aug - 4,6 18 High 115,13 (19/7)	5   5   125.2 (4/1)	Sloce High 4 216.1 (19/7/	4.57	12 12 12 12 13 13 13 13 13 13 13 13 13 13 13 13 13									
STANDARD A Industrials Campacita	Aug 29 299.73*	Aug 28	Ang 27 288.127 180.18	Aug 28	Asp 223 287.15	Aug 22 291.17 197.33	Azig 4,6 18 15,83 (19/7) 195,65 (17/7)	5   tmv   128.2 (4/1)   183.8 (4/1)	Sloce   High   215.1 (19/7/   195.1 (17/7/   Year Ag	4.57  Compiler  13 3.1 35 38/6 55 4.4 60  Montro	10m 10m 10m 10m 10m 10m 10m 10m 10m 10m									
STANDARD A Industrials Composite And the yield of	erial div	Aug 28	Ang 27 288.127 180.18	Aug 28 172 11.88	Asp 223 297.85	Aug 22 288.87 197.33 19.21 1.72	Aug 18 Aug 195.65 (17/7) Aug 11.1	128.2 (4/1) 183.8 (4/1) 14	Sloce High 4 215.1 (12/7/	4,87  Compilet  13 3.1  23 3.7  25 (1/6)  55 4.6  55 (1/6)  6 (Appendix 1.43	10m 10m 10m 10m 10m 10m 10m 10m 10m 10m									
STANDARD A Industrials Composite 2nd alle yield 4	erial div	Aug 28	Ang 27 288.127 180.18	Aug 28 3,72	Asp 223 297.85	Aug 22 298.87 197.33 aug 21 3.72	A21g - 4,8 - 18 - High - 115,13 - (15/7) - 195,65 - (17/7) - Ang	128.2 (4/1) 183.8 (4/1) 14	Sloce High 4 215.1 (12/7/	4.57  Compilet  1.0  3.3  3.5  3.5  5.5  4.6  5.5  4.6  6.6  6.6  6.6  6	10m 10m 10m 10m 10m 10m 10m 10m 10m 10m									
STANDARD A Industrials Composite And the yield of	erial divide POOR Aug 29 29172* 198.88*	Aug 28	Amg 27 298 M7	Aug 28 281.18 11.88 10.30	Asp 223 297.85	Aug 25 281.17 197.33 11.9 18.36	Aug 18 Aug 15.65 (17/7) Aug 15.65 (17/7) Aug 15.65	0 :5 :5 : 128.2 (4/1) 183.2 (4/1) 14 : 14 : 15 : 14 : 15 : 15 : 15 : 15 :	Sloce High 215.1 (1877/ R 125.1 (1777/ Year Ag	4.57  Compiler  1 183 3.1  85 4.65  85 (1/6)  6 Mopen  1.43  2.44	100 m									
STANDARD A  Industrials  Composite  but the yield a  loc. P/E State  Long Ear Box  H.Y.S.E. All. 1	erial div	Ang 28 280 100 33	Amg 27 236 Lt7 1300,130	Aug 28 251.18 10.30 1885	Asp 23 287.83	Aug 22 288.87 197.33 19.21 1.72	Aug 18 Aug 15.65 (17/7) Aug 15.65 (17/7) Aug 15.65	0 :5 : 128.2 (4/1) 182.8 (4/1) 14 : 14 : 15 : 15 : 15 : 15 : 15 : 15 :	Sloce	4,87  Compilet  13 3.1  23 3.7  25 (1/6)  55 4.6  55 (1/6)  6 (Appendix 1.43	100 m									
STANDARD A Industrials Composite Industrials And the yield a Ind. PYE State Long fave there ILY.S.E. ALL 1 Ang. Aug. 29 23	Aug 259.73° 136.88° Aug 27	Aeg 25 188.33	Aug 27 288 M 198.19	Aug 28 281.18 182.31 1885 12-31	Asp 23 287.83	Aug 22 288.87 187.33 18.34	Aug 18 18 195.65 (17/7) Aug 2.3	0   0   55   155   156   157	Sloce Sloce High Page 195.1 195.1 1777 FALLS Aug 27 1,980	4.57  Compiler  1.83 3.125 38/6  55 4.4  55 (1/6  1.83  2.84	10 10 10 10 10 10 10 10 10 10 10 10 10 1									
STANDARD A  Industrials  Composite  but the yield a  loc. P/E State  Long Ear Box  H.Y.S.E. All. 1	Aug 259.73° 136.88° Aug 27	Ang 28 280 100 33	Amg 27 236 Lt7 1300,130	Aug 28 258.18 157.21 11.88 10.30 1585 15.31	Amp 22 287.83	Aug 25 298.87 1927.33 19.34 19	Aug 18 18 18 18 18 18 18 18 18 18 18 18 18	0 55 125 128.5 128	Sloce   High   High	4.57  Compiler  Lin 33 3.1 33 3.1 35 35 (36/6 55 (4/6	62 67(12) 68 63 63 64									
STANDARD A Industrials Composite  bed the yield it had P/E Sade Long Sare Hous  H.Y.S.E. Add. S  Aug. 28 29 29 199,35* 199,3	Ave and serial division of the serial divisio	Aeg 25 188.33	Aug 27 298.117 198.19 198.19 198.19 198.19	Aug 28 28.13 197.31 18.30 19.30 19.30	Aug. 23 207.15 1177.17 A	Aug 21 182.31 19	Aug 18 115_13 (137/7) 195.65 (137/7) Aug 115_13 (185)	0 5 125 122.2 (VI) 112.2 (VI) 112	Sloce	4.57  Compiler  Lin 33 3.1 33 3.1 35 35 (36/6 55 (4/6	12 6/12)									
STANDARD A Industrials Composite Industrials And the yield a Ind. PYE State Long fave there ILY.S.E. ALL 1 Ang. Aug. 29 23	Ave and serial division of the serial divisio	Aug 25 188.33	Aug 27 288.17 180.19 180.19 11	Aug 28 28 182.31 182.31 1885 12.30 1885	Ang. 23 297.83 197.17 A	Aug 21 182.31 19	Aug 18 115_13 (137/7) 195.65 (137/7) Aug 115_13 (185)	0 155 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Slees   Slee	4,57  Compiler  In 1833 331355 4355 (1/6 555) (1/6 1/6 1/6 1/6 1/6 1/6 1/6 1/6 1/6 1/6	100 100 100 100 100 100 100 100 100 100									
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STANDARD A  Industrials  Composite  Industrials  Composite  Industrials  Autop Fig. Sant  Long Saw How  N.Y.S.E. All. S  198.35* 199.3  Wester Etc.  Kent Ean H.  Salam Corb.  TVVA	Aug 259 198.85° 198.85	Aug 28 188.83 18	Aug 27 288.17 186.18 152.48 177/7 157/7 157/7 157/7 157/7	Aug 28.13 197.31 19.30 1	05 A	Aug 21 152 172 182 18 18 18 18 18 18 18 18 18 18 18 18 18	Aug 4.6  18  19  195.65  (17/7)  Aug 115.18	0 128.2 128.2 (VI) 183.8 (VII) 183.8 (VIII) 183.8 (VIIII) 183.8 (VIIIII) 183.8 (VIIIII) 183.8 (VIIIII) 183.8 (VIIIIII) 183.8 (VIIIIII) 183.8 (VIIIIII) 183.8 (VIIIIII) 183.8 (VIIIIIII) 183.8 (VIIIIIIII) 183.8 (VIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	Slace	4.67  Compiled 1.11  Language 1.11	10 mg 12 mg									
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	29	20	27	26	High	Low
AUSTRALIA						
All ord. (1/1/80) Mateix & Mies. (1/1/80)	945.8 537.1	548.9 534.0	942.0 524.6	942.0 524.5	956.B (15/6) 583.8 (20/5)	715.3 [T/1] 382 5 (7/1)
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AUSTRIA Credit Alaien (2/1/62)	180.75	102.81	102.34	102.44	105.73 (17/8)	85.21 (2/4)
BFLGRUM Brussels SE (1/1/80)	378.58	2370.75	2361.09	2338.86	2384,12 (5/8)	2090.7 (18/1)
DENMARIK Copanhagan SE (3/1/83)	U	212.88	u	211.0	217.85 (8/8)	158.44 (8/1)
FRANCE						
CAC General (31/12/82)	222.5	221.8	219.7	218.0	233.1 (31/5)	1 80.9 (3/1)
Ind Torchogo (28/12/84)	126.9	126.0	125.2	124.8	130.4 (31/5)	100.1 (3/1)
GERMANY						
FAZ Aksina (31/12/58)	SOBLET	498.89	497.96	486.06	502.82 (5/7)	382,39 (3/1)
Communicate (1/12/53)	1468.3	1488.1	1481.3	1428.8	1488.2 (5/7)	1111.8 (3/1)
HONG KONG Hang Sang Bank (31/7/84)	1852,19	1888-B5	1667,38		1711,51 (79/8	1220.74 (2/1
ITALY Beaco Compa, Ital. (1972)	376.4B	372,64	386.84	388.12	378.48 (29/8	228.56 (2/1
JAPAN**						
Nibdosi-Dose (16/5/49)	12728.80	12885.5	12691.41	12651.8	13040.10 (6/7)	11545.2 (5/1)
Tologo SE Mare (4/1/88)	1019,60	1019.5	101B.0	1013.9		916,93 (4/1)
NETHERLANDS						
AMP-CBS General (1970)	218.4	217.7	217.6	217.4	220.9 (6/7)	185,6 (3/1)
AMP-CBS Indust (1970)	191.4	190.8	191.2	192.0	193.8 (22/8)	147.8 (3/1)
Date SE (4/1/83)	358.09	365,73	350.87	356.06	380.15 (22/8)	288.10 (2/1)
SINGAPORE						
Strains Times (1986)	747.35	745.77	748,44	748.44	852.65 (7/3)	717.95 (15/7)
SOUTH AFRICA						
USE Gold (28/9/78)	-		1037.8	1005.5	1140,8 (15/4)	838.1 (11/2)
ISE Judent (28/8/78) *			957.8	852.7	1038.8 (17/7)	787.1 (7/3)
SPAIN Madrid SE (28/12/84)	119,72	110.72	110.98	110.39	117.41 (4/2)	101,48 (2/1)
SWEDEN		***************************************				
Jacobson & P (11/58)	397.22	1332.52	1336.57	1341.91	1486.98 (11/2)	1285.32 (9/7)
SWITZERLAND						
Swiss Bask Cps. (31/12/58)	481.9	477.A	473.2	472.1	481_9 (29/8)	386.7 (3/1)
WORLD Capital Ind. (1/1/70)		219.4	215.4	219.3	224.3 (17/7)	184,6 (4/1)

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PancMx Pansph	.13	45 283	244	24	75 + 4	RobVan		56 13	111	10 + 1	Stanhoe	1.20	11	221 <sub>2</sub> 2	15%	225 + 4	US HO	.12	8 4	27	271, -
ParkOh	.60	148	123	12	124 + 4	ROUSES	.54	386 2	22	22 - 4	StaStHa			31% 2	51	614 - 18	US Sur	.30mg	6 101a	183	191 + 14
PamtM		46	618	678	67 - 4	<b>HoyPire</b>		58 1 245	101,	1904 - 18	StateG	.156	35		412	417	US Tm		46 384	35	38 + 4
PaulHr	ŧ	188 21	113	113	11% - %	RustPel		44 1	15 34 7 155	3½ 15%	SteviStv		11		107	174 + 4	UState		20 21 19 <b>23</b> 5	234	21 - 4
PaulPt		143	165	164	1912	RyanFs			1912	167g	Stwini	.72	18	2314 2	31,	2314	UVaBs	1.64	2 424	423	420
PeakHC		20	1415	141	1414			S	S		Stife		84		612	618	Unvifra		35 183	184	184 + 1
PoarlH		4	327	327	3273 + 1	SAYInd			134	134	Stratus StrwCls	.76			174 334	1734 54 - 14	Urwillt Ursek		74 154		15%
PegGid PenaEn	2 20	258 26	10 34	3334	812 - 4 334	SCI Sy			154	154 - 4	Stryker	.70	T	324 3	1215	324 + 4	Uecate		37 114 50 54	111	5% + 4
Pentars	.68	45	27%	27	274 + 4	SFE	.104		712	710	Subaru	1,68		TO- 16	190,	170 + 4					
PeopEx	.05e	3364	1418	1314	134 - 3	SRI	.80	90 2	2012	20% + %	Summa	.1.92	161 441		212	25			ν	٧ _	
Petrite Phrmct	1.12	73 610	2614 574	634	2734 67a - 1a	Safecta Safeco	.20 1.80	242 20 186 46		20% + 3 40% + 3	Sumth	.10	2352		115	11% - %	VL81		41 63 28 121	111	1274 + 34
PSFS	.10a	2143	939	O.	914	Settlith	1,00		104	1014 - 14	SunCet		277		-18 1	7-18 - 1-16	VXX		07 57	64	5
PhilGl	.50e	1009	1572	154	153, + 1	Sklude		170 1	15	15 ~ 5	SunMed		11		914 B	35+4	VSE	.15e	2 97	612	812+14
PhoxAm		1486	257g	255	255 - 10	StPaul SalCpt	3	30 7		713 <sub>6</sub>	SupSky vjSykes		92	-	16	5-16	ValidLg YalFSL	12	44 67 <u>.</u> 58 01	19	204 + 15
PicSev PicCale	.60	40	22	255 21	22 + 5	SanBar	.05r	12	4 54 4 84	834	Symbi		42		024	904	Velki		72 3512	383	3812
PionHi	.92	2479	343	347	344 - 4	SatelSy	.12	1 1	84 854 554 4 4772	34 - 12	Symech		303 194		31	34 - 1	Yalla	.40	25 2012	2012	201- + 1
PronSt	.12	13 82	8 13½	13%	1312 + 4	SEVEF SEKPS:	1.76	15 40 256 20	4 472	4712 + 14	System	.28	48		18	18	Vanzel		38 167 <sub>2</sub> 72 61 <sub>2</sub>	16	1912+ 19
PoFolk Picykia		1008	2214	2134	2214 + 4	ScanCo	. 44		2 75	20 ~ Y	SYASOG		354	1514 1	474	154 + %	Vanirax	14		45	5 + 3
Porex		13	245	2472	245	ScanTr		48 1	157	153, - 4	Systin		56		514 93,	57 + 78 54 - 4	Vicorp	.09e 5	57 23	243	25 + 1
Powell		13 71	12	114	212 - 14 1134 - 14	Scherer	.82	473 10		135 + 1, 255 + 5	System System				114	1114			95 <b>9</b> 5	81 121	94- 5
Poyrtos		70	115	113	1112 - 3	SciMic	.40	481 2	25	4 - 1	Syston	.08	TI		41,	244 - 4	Viking		7 145	144	13 + 6
ProcCst	.12	54	3212	321	3212 + 10	SciSft		14 8	E Ab	85	1			TT			Vocavi	21	77 67 <sub>8</sub>	5	83 +
ProdLg		133	818	71 <sub>2</sub>	715	Scitex		82 1 141 1 5947	1212	124 + t	TBC	٠.	10		90	94+ te	Voltini	4	24 194	184	15
PricCms		30	11	10%	11 + 5	Sengate		. 141 E	54	53 - 1 75 + 3	Tardem		163 1541	144 1	45	14 - 4			w	W	
PriceCo		81	58	5712	5734 + 14	Section		88	24 7 34	23	Tandon		884		44	414	WD 40	.96 18		195	195
Frirons	.16	38 63	124	12	12	SEEO	.aci	96 . 2 889 18	7 29	294 1734 + 34	TeCom		_1		074	101 <sub>4</sub> 131 <sub>4</sub>	WildTel	94	2 11	100	1934 1076 + 3
ProdOp ProgCs	12	7	384	383	384 - 14	Semico	.ou		21 23 163 6	670 - 34	Telco			14 1 334 3	334	334 - 4	WORE	1.78 4 .60 25	4 21% 5 23	203	25 - 3.
ProptTr	1.20	84	124	1272	125 +	Sensor	.85	214	Se 514	834	TelPlus		288		87 33	91	WMS8		0 151	147	154 + 4
Piovin		17 574	1714	171 <sub>4</sub>	17% - 1, 7% + %	SycMer	.08 00.	683 15 T16 01	16 14 21	15 21 4 + 3	Telecid Telepict	,32	509 1115		1914 2519	20 + 34	Wevet		8 T	1214	, T
Pullmn PurtBr	.40	1	2314	254	234 - 3	SycFree	.00		5	51	Telvid		2139		170	2 - 4	WestFri	.40	4 127	1884	164 + 5
OMSe		320	107	105	105g 31a + 3a	SevOak	.16	83 17	18 1678	1714 + 14	Telabs		11		612	165	WatFSL		5 187	15	154 - 4
Quadrx	.38	2135	10%	9% 10%	1974 4	ShrMed	1.68	018 3		364 + 3	Telwore		18		470	165 <sub>4</sub> - 14	WMICTG		8 5	477-	135+ 14
QuakCs Quantm	,30	249	2314	23	23	Shelbys	.15	134 1	187	10	TherPr	1	2 .			470 + 10 972 + 10	WITAS		3 134 8 173	1270	134 + 14
QuestM		1748	47	45a	12 - 14	Sheldla		34 11		11 + 4	Thrmds				514	154	WebsCu	24		114	114
Outroto		43 2045	12¼ 10¾	234	67 <sub>9</sub> — 1	Shoneys	.15	859 27 12 11		27% + 19	Thronk Thortec	1.28	125 54		5012 714	601 <sub>2</sub> - 1	Wette	.98 20		412	3214 - 14 417 + 14
Quotre				R	•	Silicon		31 (	612	812 - 1 <sub>2</sub>	ThouTr				8	104 - 4	Widcom	16		83	85 + L
RAX	.81e	94	''7	634	7	SHIcons		36 11		11/2 + 14	TimeEn		331	74	714	714 + 34 1334 + 34	Willer !!	1.65 1	0 44	44	44
<b>RPMs</b>	.58	110	1610	161 <sub>4</sub> 117 <sub>8</sub>	154 - 4 124 + 4	Silicia		201 10	1 157 2 201	1614 + 14 2004 + 14	TopeRb			18% 1 7-18	334	134 + 4 1-16 + 1-16	WHAL	52	3 174	165	13½ 17¼ + ¾
RadSys		327 52	124	114	1114 - 14	Sifter .		23. 8	51	87.	Totus		1095		31	14 + 12	Witsof	12	£ 834	57	54 - 4
Flacton T		6	734	714	73, - 3	Simple Sipples	.50	x20 · 16 127 · 13	1512	18 1 <b>3</b> 1 <sub>2</sub>	TotiSys				12	32 11 - 1	Whadror	.07 15		41	45 + 5
Flagen		109	42	305	3112 + %	Sizziers		5 16		16 - 1	TriedSy		12 129		778	8	WinnEn WiserO	.50 13	5 74 T 1T	155 124	184- 1
Finance	.24	203 80	3112 1914	18	12	Supper	.06	.0 9		8	TrueJo	.40			35	23% - %	Woodhd	.60 3	0 12%	121	124 - 14
RayEn RediCr	,24	38	27	294	274 + 1	Smitht	1.64 x	410 3	4674	47			ι	JU			Worting	.64	7 28%	23	2814 + 14
Floading		48 95	2112	2112	2112	Soctyav		231 19	lo 18%	124 - 14	USLICA	.00	39		24	225g - 14 215g - 14	Writer Wyman		2 234	233	234
Projeti Projeti	.84	3	28 2	2814	2610 +1	Softwa		165 §	151	153 - 3	Ultrsy	.00e	114 510	2112 2	91	212 - 14				_	- 1
HOEVES		999	1214	1112	1214 + 3	SonocPs	.88	43 20	25	231-	Ungenn	.000	108		512	154 - 4			XY	Z	
<b>PigcyE</b> 1	.20	140	1514	154	154 + 4	SonrFd	.450	20 18	4 191 <sub>2</sub>	1812 + 14	Unifi		246	121/2 1	134	12 + 4	Xabec Xicor	16		27g	97 + 1-18
Reliab Reliab	.12	20	5	612	512	Sendife	.52	73 4	49 <sub>2</sub>	244 + 14	UnPinir	1.09g	8 20		812 0	2812 - 12	Xidex	24	13	127	127 - 1
FIDAULO	.15	50 480	164	9 13	13 - 10	Soutret	.60	24 17	184	17 + 1	UACITIES	.05		24 2		234 - 1	Yiowifs Zani No	.54 10	2014	201 <sub>2</sub>	251. +13

"What's special about these Danish companies?"

ABN Bank Copenhagen Branch, Assurander-Societetet, Berlingske Tidende, Bikuben Savings Bank, Boliden, Buch-Deichmann, Danish Steel Works Ltd., Danish Telecom International A/S, Daoish Tornkey Dairies Ltd., Danish Telecom International A/S, Daoish Tornkey Dairies Ltd., Danish Telecom International A/S, Danish Tornkey Dairies Ltd., Danish Telecom AoS, East Asiatic Co. Ltd. (A/S, Det Ostasiatiske Kompagni), A/S Elizabeth Ardeo, Ess-Food, F. L. Smidth & Co. A/S, Ferlaget Macagement A/S, Frisko Sol is A/S, Ginge Brand & Elektronik A/S, Grundfos International A/S, Haldor Topsee A/S, Hellerup Bank A/S, Heuriques Bank Aktieselskab, Kommunedala, Midthank, A/S Niro Atomizer, Norsk Hydro Danmark a.s, Nykredit, Price Waterhouse, Privathanken A/S, Skandinavisk Tobekskompagni, Statsanstalten for Livsforsikring, Tha Jutland Technological Institute, Aktieselskabet Varde Bank.

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| Total | Tota

# NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Gribcan 1
GChans 40
Gribcan 1
GChans 50
Gribcan 1
Gribcan 2
Gribcan 3
Gribca Damon 20 1.6
Damon 20 1.7
Damon 12
Damon 12
Damon 13
Damon 17
Damon 17
Damon 17
Damon 17
Damon 18
Damon 17
Damon 18
Damon 9-10-11-46-10-46-11-46-1 | MACOURD | 1.2 | 1.2 | 1.6 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 

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Prices at 3pm, August 29

P. Simple   Dec   Dec	Simple   P
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### FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

### Restrained confidence continues

RESTRAINED CONFIDENCE continued to sustain Wall Street yesterday, with the stock market managing to ex-tend the sharp upswing seen late on Wednesday, writes Terry Byland in New York.

Bond traders appeared unconcerned while awaiting the latest money supply statistics, and beld prices steady.

At 3pm, the Dow Jones industrial average was up 2.24 at 1,333.33.

The divergence of views on interest rates continued with market analysts split between those fearing that the surge in money supply will pressure the Federal Reserve to tighten policy and those who believe that the Fed will be driven to ease policy to stimulate a flagging economy.

Credit markets took a passive stance yesterday, after the Fed's actions on Wednesday to make system repurchases in both the bill and bond markets had resolved any cash needs over the extended holiday weekend. For the longer term, the Fed is expected to wait for further evidence of the progress of the economy, and to continue for the present to brush off the rise in money sup-

ply.

The stock market, having again bottomed out at the Dow 1,312 mark, has

1000

1980

NEW YORK

LONDON

FT Ord

FT-SE 100

FT-A 500

FT Gold mines

FT-A Long gilt

Nikkei-Dow

Tokyo SE

AUSTRALIA

All Ord.

BELGIUM Belgian SE

CANADA

FRANCE

Ind. Tendan

HONG KONG

ITALY

NORWAY

Osio SE

SINGAPORE

Straits Times

SOUTH AFRICA

JSE Golds JSE Industrials

Madrid SE

SWITZERLAND Swiss Bank Ind

Capital Int'l

SWEDEN

WORLD

London

Paris (fixing)

New York (Oct)

Zürlich

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

WEST GERMAN FAZ-Aktien

Metals & Mins

Credit Aktien

Toronto Matals & Minis

**DJ** Industrials

**DJ** Transport

S&P Composite

1981

STOCK MARKET INDICES

1.333.33\*

689.37°

159.52\* 188.72\*

Aug 29

702.02

10.31

280.1

537.1

135.97\*

126.9

191.4

747.35

481.9

**Aug 28** 

219.4

**GOLD** (per ounce)

1.003.9

1,323.9

Frankfurt Commerzbank

Paris CAC General

1982

1,331.09 1,226.92

687.27

160.03

188.83

Previous

991.3

1,308.2

694.24

290.4

12,728.80 12,685.5 10,579.9

1,019.60 1,019.50 817.17

534.8

102.81

2.095.2" 2.086.41 2.051.00

126.8

376.46 372.64 220.8

190.8

358.09 355.73 265.26

745.77

110.72 110.72

1,337,22 1,332,92 1,491,32

477.4

Prev

219.4

Aug 29 \$335.50

\$336.65

\$337.87

\$337.20

131.4

924.77

379.6

184.8

Prev \$340,00

\$340,85

\$340.70

\$339.45

135.77 117.09

2,378.59 2,370.75

215.52 212.66

1,468.3 1,468.1

1,652.19 1,668,85

10.32

1983

519.12

167.09

Year ago

852.5

1,096.0

562.54

10.56

53,11

1984

1985

Aug 29

2.2785

3.132

56.25

1.3625

3-month U.S.\$

6-month U.S.\$

(3-month offered rate)

U.S. Fed Funds

1992 1995

10% June 1990 3% July 1990

8% May 2000

CHICAGO

10% Merch 1993 100%

10% May 1993 100%

12% Dec 2012 101% 12.00

U.S. Tressury Bonds (CBT)

Certificates of Deposit (IMM)

Sept 78-04 78-U.S. Treasury Bills (IMM)

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

£50,000 32nds of 100%

Säver (spot fixing)

Copper (cash)

Coffee (Sept)

LONDON

Sept

Sept

Federated Dept Stores

Diamond Shamrock

U.S.3-month CDs U.S.3-month T-bits

RALIOG .2.U

Previous

236.9

8.4525

2.267

56.05

1.3612

U.S BONDS

1021 10.095

Aug 29° Price

100%

83%

10% May 2015 95.500 11.15 95.500 11.15

11.80 Feb 2013 103.748 11.35 103.748 11.36

FINANCIAL FUTURES

Latest High

92.33 92.34

COMMODITIES

78-04 78-09 77-29 77-27

93.08. 93.08 93.06 93.03

91.99 92.02 91.97 91.98

112-08 112-11 112-05 112-04

Aug 29 448.70p

£1,580.00 £1,641.50

CO. RESS

\$27,65

Prev 456.15p

€996.50

9.954

10.10

8.25

10.85

10.45

3.1185

now regained much of the ground lost since the heavy shakeout in the first days of August.

But institutional interest has been slack, and the gains have been mostly in the blue chips, with the Dow average in-fluenced on Wednesday by a sharp rise in Westinghouse Electric, a major constituent

It was another day for special situations. Heavy trading developed in Westinghouse, as arbitrageurs built up stock ahead of the programme to buy in 15 per cent of the equity. At \$38%, Westing-bouse shares added \$%.

Also influencing the Dow average was a gain of \$% to \$56% for Union Carbide, heavily traded as Wall Street responded favourably to the board's sweeping restructuring plans.

The stock has already bounded by 60 per cent from its low point in the wake of the Bhopal disaster, as speculators have looked for a bid.

Also active, hut on the downside, was Kansas Gas & Electric, the utility group which has said it will face bankruptcy if it is refused a \$371m rate increase to cover the cost of its 47 per cent stake in a \$3bn nuclear power plant. At \$16, Kan-sas G&E had plunged \$2% as more than im shares were traded.

Upjohn, the pharmaceutical group, came in for another bout of speculative support, gaining 5% to \$110% in busy trading which was sparked off by a hlock trade of 450,000 shares at \$109% by

The rest of the drugs sector was narrowly mixed, with Merck, the industry leader, \$% off at \$115%. Tiger International, traded heavily, gaining \$% to \$7%.

Grumman, the aerospace and passenger transport group, maintained that it knew no reason for the rise in the stock of \$1% to \$34% - business was not heavy.

1300

STERLING

1.402

332.25

3.175

4.3725

78.6

1.9096

11% 4% 4% 10°%

8% 8% 7% 7.75 7.06

Price Yield 100% 8.84

101<sup>2</sup>/<sub>22</sub> 9.99 102½ 10.14 102½ 10.40

Prev

100%

Price Yleid

82% 8.25 83% 10.85

Aug 29 Previous

1.400

332.0

11,885

3.1925

4.385

78.75

1.907

11% 4'% 4% 10%

8% 7% 7.65° 7.05°

KEY MARKET MONITORS

Blue chips lacked excitement Airline issues turned mixed, with American recovering \$% of its recent slide to stand at \$45%, and Pan Am \$% off at \$7%.

The technology sector lacked supporters. IBM slid \$% to \$127%, Control Data 5% to \$23%. With bid bopes still buoying the stock, Sperry edged np \$% to \$50%. In the credit markets, federal funds

settled down to a more acceptable 7% per cent, and other sbort-term rates eased lower.

The bond market waited lethargically for the money supply figures. Traders hardly moved price quotations at the longer end, and the institutions re-mained on the sidelines.

TOKYO

### Shift in focus of attention

RECENTLY NEGLECTED biotechnology stocks and some defence-related issues were at the centre of attention in Tokyo yesterday but enthusiasm for large capital companies like steels, ship-buildings and electric powers faded.

writes Shigeo Nishiwaki of Jiji Press. The Nikkei-Dow market average gained 43.30 to 12,728.80 on a volume of 502m shares, down sharply from the previous day's 820m. Gains outnumbered losses by 420 to 359, with 157 issues un-

A flood of buy orders sent Mitsubishi Heavy Industries to a record high at one stage as institutional investors continued to focus on the stock, encouraged by earnings projections for the accounting year ending next March. The economic research institutes of some large securities houses forecast a recurring profit of about Y100bn, which is higher than the company's figure of Y87bn.

The stock again topped the most active list, with 43.96m shares changing hands. It rose Y11 to Y406 at one point, eclipsing Tuesday's Y404 high, but fell back on later profit-taking to finish Y5 up at Y400.

In the defence sector, Sumitomo Heavy Industries firmed Y9 to Y289 on expectations of higher earnings. Fuji Heavy Industries also added Y25 to Y705 on reports that the company's recurring profit will reach a record Y38bn in the current year.

Nippon Steel was unchanged at Y179, but Kawasaki Heavy Industries eased Y2 to Y220 and Tokyo Electric Power Y10

While these issues paused after their recent rises, investors looked for shares lagging in the market. Biotechnology-re-lated Kyowa Hakko returned to favour on stronger earnings from its new anti-biotics. It jumped Y96 to Y1,030 on a volume of 19.45m shares, the second

Among public works-related issues, constructions lured buyers. Taisei rose Y13 to Y363. Obbayashi, third on the active list with 14.43m shares, also advanced before falling back to close unchanged at Y447.

Elsewhere, some food stocks gained ground. Morinaga Milk rose Y16 to Y476 and Kirin Brewery Y10 to Y740. But stocks with hidden assets and non-life insurances slipped, and blue chips were

Trading in Minebea shares remained brisk on speculation that the company might be taken over by a U.S. invest-ment firm. The stock climbed Y20 to Y800 with 13.23m shares traded.

The bond market continued buoyant on active dealing by financial institu-tions and securities houses. The yield on the benchmark 6.8 per cent government bond due in December 1994 slipped to another record low of 6.085 per cent from Wednesday's 6.105 per cent. Some institutional investors were worried about the recent bond price increases.

#### **HONG KONG**

A SHARPLY lower trend emerged in Hong Kong with the market under pres-sure from Hongkong Wharf's sale of its 17.2 per cent stake in Cross-Harbour

The Hang Seng index finished 15.66 lower at 1.652.19 with late hargain-hunting helping it to pick up from the 31 point decline registered at mid-dsy. Brokers completed the sale of the 21.8m Cross-Harbour shares at

HK\$10.10 each to investors in New York, London, Singapore and Hong Kong.
The shares fell 80 cents during the day's trading to HK\$10.30 and HK Wharf lost 5 cents to HK\$7.05.

Lower properties included Cheung Kong, down 20 cents at HK\$16.40, amid predictions that half-year results today will show a 40 per cent rise in net profits. Hutchison Whampoa, also with results due today was down 40 ceots at HK\$28.20.

#### CANADA

GOLD STOCKS fell back sharply in Toronto from the record high close of the previous session. Among the largest losers, Lac Minerals shed CS1% to trade at C\$38%, Campbell Red Lake was C\$1 low-er at C\$33% and Dome Mines fell C\$% to

International Thomson was actively traded, unchanged at C\$9%, while Hudson Bay fell CS% to C\$22% after results. Montreal was mixed.

EUROPE

### Hearty diet of corporate statements

A HEARTY DIET of corporate results combined with renewed institutional buying and sporadic overseas support on the European bourses yesterday, taking several centres to new highs for

Amsterdam bristled with corporate news. The ANP-CBS General index. reflected the pace and strength of the buying to gain 0.7 to 218.4.

Institutions adopted a high profile in the insurance sector as Amey an-nounced stronger first-half results and a one-for-10 rights issue after trading. The insurer, which hit a FI 280.80 high last Thursday, rose FI 3.20 to a new peak of FI 281.90. Fellow insurer Aegon picked up Fl 4 to Fl 99, also ahead of firm re-

Nat-Ned edged 40 cents lower to Fl 73.20 on further consideration of its profits statement. It lost FI 4.30 in the previ-

Others to report included shipper Van Ommeren, which dipped 20 cents to FI 29.10 on profits which, although more than doubled, were lower than expected.

Pakhoed, which released interim profits late in on Wednesday, lost an early F1
1.30 but finished steady at F1 64 on forecasts of higher full-year results.

Boskalis remained suspended amid discussions with creditors on its second restructuring in a year. Banks were firm with ABN reversing

an opening FI 1 setback to close FI 1.50 shead at FI 510.10. NMB advanced FI

Tuesday's 22 per cent rise in profits for VNU continued to feature and the media group picked up Fl 6.80 to Fl 223, a new high for the year, while biotechnology group Gist Brocades, which earlier this week detailed a strong profits and sales performance in the first-half, dipped F1 1.50 to F1 215.

Bonds were largely steady in quiet trading. Industrial and financial issues surged

in a brisker Zurich as the Swiss Bank industrial index hit a year's high with a 4.5 point rise to 481.9.

Electrowatt picked up SwFr 10 to SwFr 3,400 on improved profits and dividend for the year. The group announced a capital boost of SwFr 97.5m for October.

Nestle continued to dely the bears and moved to another high for the year with a SwFr 100 rally to SwFr 7,325. Other features included a SwFr 35 advance to SwFr 5,775 for Zurich Insurance and a SwFr rise to SwFr 4,360 for Union Bank.

Adia moved against the trend with a SwFr 105 setback to SwFr 4,000, while Swissair, which has traded consistently near its 1985 high in recent weeks, was unchanged at SwFr 1,465.

Bonds were barely changed although strong demand in option bonds pushed 3½ per cent Baer Holding higher by 2½ points to 115.75 per cent.

Milan extended Wednesday's strong showing with a further 3.82 rise in the Banca Commerciale index to a record

As the dust began to settle over the BI-Invest/Montedison encounter, the former firmed L470 to L6,470 and the lat-

ter put on L55 to L2,280. Confidence continued to flow from the interest rate cuts. Flat sprinted L191

ahead to L4,290 and insurer Ras picked up L900 to L102,900. The inevitable profit-takers surfaced in a mixed Frankfurt, although the Com-

merzbank index edged 0.2 higher to

AEG brightened up the electrical sector with a DM 7 rise to DM 143, just short of its high for the year. BMW re-sisted the profit-takers set to pounce on the carmakers as it scored a DM 10.50 rise to DM 468. VW reversed an early DM 1.70 drop to close 30 pfg higher at

Hoesch's return to dividends was greeted with a 90 ptg gain to DM 121.70, while Mannesmann, picked up DM 2.20 to DM 200.50 on stronger sales and profits for the first-half.

Gains of up to 20 basis points were managed in the bond market. The Bun-desbank sold DM 32.7m of paper compared with Wednesday's sales of DM

Institutions were active again in a slightly firmer Brussels. Wire maker Bekaert drew the buyers with a BFr 230 gain to BFr 8,080, while Petrofina shed a further BFr 90 to BFr 6,140. Fabrique Nationale, the arms to golf chib maker, posted a BFr 45 gain to BFr

Madrid and Paris finished steady. A mixed Stockholm took Volvo SKr 1 higher to SKr 229 on results.

LONDON

### Results provide impetus

THE ANNOUNCEMENT of favourable trading statements from several major UK companies contributed to yesterday's advance in the Financial Times Ordinary share index over the 1,000 mark for the first time since June 7 with a gain of 12.6 to 1,003.9.

Still reflecting the South African situation, gold shares remained extremely sensitive, but the industrial sectors were inclined better, where altered.

Government securities remained a relative backwater, although quotations were inclined harder. Rises in both short and long-dated stocks ranged to % and occasionally more.

Chief price changes, Page 31; Details, Page 30; Share information service.

#### **AUSTRALIA**

PROFIT-TAKING in Sydney offset the benefit of a higher international builton price, leaving the All Ordinaries index to close down 1 at 945.8.

cutse down 1 at 945.8.

BHP eased 2 cents to A\$7.12, CSR 13775
cents to A\$2.90, CRA 2 cents to A\$3.54
and North Broken Hill 8 cents to A\$2.52. Gold stocks posted strong gains, despite closing off the day's highs as investors fought shy of South African gold stocks.

Elsewhere, Coles was 1 cent lower at A\$4.05 despite its report of a higher profit for the year.

#### SINGAPORE

A SHARP RISE in property stocks little in the session left Singapore shares higher at the close of a session which had also seen advances in many Malaysian speculative stocks.

The Straits Times industrial index rose 1.68 to 747.35 – its first advance for

Demand for property stocks stemmed from market rumours, later denied, that imminent government measures were planned to alleviate the cash flow problems of property developers and inves-

Among actively traded stocks, Raleigh put on 22 cents to S\$2.22, TDM rose 37 cents to S\$3.34 and Supreme shed 3 cents to S\$1.74.

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